

FOREIGN AFFAIRS



Winter 1981/82

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NUCLEAR WEAPONS IN THE 1980s

The Mutual Hostage Relationship of the Superpowers

Spurgeon M. Keeny, Jr. and Wolfgang K.H. Panofsky

Implications of Theater Nuclear Weapons in Europe

Christoph Bertram

NATO and Nuclear Weapons—*Stanley Hoffmann*

* Congress Versus the President—*John G. Tower*

Economic Sanctions and Iran—*Robert Carswell*

Arms Sales: The New Diplomacy—*Andrew J. Pierre*

France's New Foreign Policy—*Dominique Moïsi*

Coping with Illegal Immigrants—*Sylvia Ann Hewlett*

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Marie-Josée Drouin and Harald B. Malmgren

Stalin's Legacy—*Robert C. Tucker*

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EDITOR'S NOTE

In its closing phases at least, the editing of an issue of *Foreign Affairs* is much more like that of a monthly magazine than the (more or less) quarterly magazine we are. Six weeks before closing we habitually have many more glowing prospects than space would allow, and only a rough balance between what a ribald piece of doggerel verse once called "poignant disillusionments and jubilant surprises" brings us out even.

For this issue, the glowing prospects seemed to us to hold up, and the disillusionments were almost nonexistent. The result is disappointment to worthy authors (and to us)—but we hope a menu exciting to the reader. Contrary to our usual practice, we are holding at least three excellent manuscripts for future publication.

Most of the articles speak for themselves, but we particularly note the three on nuclear strategy and nuclear weapons in Europe—subjects we had not addressed for some time and that are especially to the fore at the moment. We are pleased also to cover major problems in U.S. relations with Mexico and Canada, which we had recently neglected, and in the former case to present as well a strong analysis and prescription on the immigration problems that are both of general urgency and central to U.S.-Mexican relations.

We regret that a paucity of material and space problems have led to the omission of any Comment and Correspondence section, which by tradition will also not appear in our next issue (*America and the World 1981*). But that section remains very much alive, and we suspect that readers will find in this issue more than usual occasion for telling us what they think. Once again a reminder of deadlines: communications should reach us not later than mid-February.

The articles in FOREIGN AFFAIRS do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries FOREIGN AFFAIRS can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any article, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there. The Editors.

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John G. Tower

CONGRESS VERSUS THE PRESIDENT: THE FORMULATION AND IMPLEMENTATION OF AMERICAN FOREIGN POLICY

The President is the sole organ of the nation in its external relations,
and its sole representative with foreign nations.

—John Marshall
March 7, 1800
6th Congress

One of the oldest conflicts in the American system of government is that between Congress and the President over the right to formulate and implement foreign policy. Is the President solely responsible for the conduct of external relations? Is the Congress an equal partner? Or does Congress have the right to shape U.S. policy by enacting legislation which proscribes a President's flexibility? These are not just debating points for historians and constitutional lawyers, but critical issues which need to be addressed if we are to see the successful exercise of American diplomacy in the 1980s. Our effectiveness in dealing with the problems ahead, especially U.S.-Soviet competition in the Third World, will depend to a significant degree on our ability to resolve the adversary relationship between the President and Congress.

The struggle for control of foreign policy came to the fore in the twentieth century, with America's reluctant entry into world affairs, two World Wars, and a smaller, but more complex, postwar bipolar world characterized by the increasing interdependence of nations. The first significant Congressional challenge to the Executive's foreign policy prerogative occurred during the interwar years. After the Senate rejected President Wilson's Versailles Treaty in 1920, Congress continued to assert itself in the formulation of foreign policy. By the 1930s, a strong Congress was able to prevent presidential initiative in the critical prewar years. The almost universal consensus today is that this Congressional intrusion had been a disaster and had inhibited the United States from playing a useful role in Europe that might have prevented World War II.

John G. Tower has been a Senator from Texas since 1961. He is currently Chairman of the Senate Armed Services Committee.

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Following the Japanese attack on Pearl Harbor and our entry into the Second World War, Congress and the President stood in agreement over the direction of American foreign and military policy. Congressional intervention all but ceased.

The post-World War II period was marked by a reasonable balance between Congress and the President in the foreign policy decision-making process. In fact, Presidential foreign policy initiatives were generally accepted and reinforced by bipartisan support on Capitol Hill. American foreign policy was fairly coherent and consistent through changing complexions of the body politic. The United States was perceived as a reliable ally and its leadership generally accepted with a high degree of confidence by the non-communist world. But the relative stability between Congress and the President began to erode in the early 1970s with Congressional disenchantment over the Vietnam War. By mid-decade the two branches were locked in a struggle for control of American foreign policy. To a certain extent Congress won, and the balance between Congress and the President has swung dangerously to the legislative side with unfavorable consequences for American foreign policy.

If the balance is not soon restored, American foreign policy will be unable to meet the critical challenges of the 1980s. We are entering an era of fast change and increasing volatility in world affairs. Political instability and regional conflict are on the rise, especially in the Third World. Developing nations in many parts of the world are being torn apart by civil wars between pro-West and Soviet-supported factions, subverted by externally supported insurrection, or subjected to radical or reactionary anti-Western pressures. The industrialized economies of the West are ever more dependent on a lifeline of resources from an increasingly vulnerable part of the world. The Soviet Union has pursued an aggressive interventionist policy on its periphery and abroad, supported by its emerging global force projection capability and its successful use of less direct means of projecting power.

We may well be in a situation today which is analogous to that of the late 1930s, when America's inability to play a more active role in world affairs helped permit the Axis to realize its objectives without serious challenge. During this period Congress tied the President's hands, with disastrous consequences. Now we are back in the same situation, and risk making the same mistakes. If the United States is prevented from playing an active role in counter-ing Soviet and Soviet proxy involvement in the Third World, the 1990s could well find a world in which the resource-rich and

strategically important developing nations are aligned with the Soviet Union.

II

What is the proper balance between Congress and the President in the formulation and implementation of foreign policy? Although the bulk of opinion argues for strong Executive authority in the conduct of external relations, the Constitution itself offers no clear definition as to where legislative authority ends and Presidential prerogative begins. The Constitution would appear to have vested war powers in both the Executive and Legislative branches. Although it conferred the power to declare war and raise and support the armed forces on Congress (Article I, Section 8), the Constitution also made the President Commander-in-Chief of the armed forces (Article II, Section 2). Nowhere in the Constitution is there unambiguous guidance as to which branch of government has the final authority to conduct external relations. Nonetheless, there is the strong implication that the formulation and implementation of foreign policy is a function of the Executive Branch, both as a practical necessity and as an essential concomitant of nationality.

John Jay argues this point in the *Federalist Papers* (Number 64, March 5, 1788):

The loss of a battle, the death of a Prince, the removal of a minister, or other circumstances intervening to change the present posture and aspect of affairs, may turn the most favorable tide into a course opposite to our wishes. As in the field, so in the cabinet, there are moments to be seized as they pass, and they who preside in either, should be left in capacity to improve them. So often and so essentially have we heretofore suffered from the want of secrecy and dispatch, that the Constitution would have been inexcusably defective if no attention had been paid to those objects. Those matters which in negotiations usually require the most secrecy and the most dispatch, are those preparatory and auxiliary measures which are not otherwise important in a national view, than as they tend to facilitate the attainment of the objects of the negotiation. For these the president will find no difficulty to provide, and should any circumstance occur which requires the advice and consent of the senate, he may at any time convene them.

The Supreme Court has forcefully upheld Executive authority in foreign relations. In 1935 Justice Sutherland, in the case of *U.S. v. Curtiss-Wright Export Corporation et al.* (299 U.S. 304), cited a series of previous Court decisions in arguing that the powers of “internal sovereignty” lay with the individual states, but those of “external sovereignty” were with the national government.

[There are fundamental differences] between the powers of the federal government in respect to foreign or external affairs and those in respect to domestic or internal affairs. . . . Not only . . . is the federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited. In this vast external realm, with its important, complicated, delicate and manifold problems, the President alone has the power to speak or listen as a representative of the nation. He *makes* treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it.

It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved.

In addition to the constitutional, judicial and historical arguments against Congressional intervention in foreign policy, there is an even more clear-cut issue of the efficacy of Congressional involvement in foreign policy. To the extent that Congress often represents competing regional and parochial interests, it is almost impossible for it to forge a unified national foreign policy strategy and to speak with one voice in negotiating with foreign powers. Because of the nature of the legislative process a law may be passed in response to a certain set of events, yet remain in effect long after the circumstances have changed. The great danger of Congressional intervention in foreign affairs is that enacted legislation becomes an institutional rigid “solution” to a temporary problem.

The President, along with the Vice President, is the only officer of government who is elected by and responsible to the nation as a whole. As such, only he possesses a national mandate. As head of the Executive Branch, the President can formulate a unified foreign policy, taking into consideration how each aspect of it will fit into an overall strategy. He and his advisers can formulate their strategy with the necessary confidentiality not only among themselves, but between the United States and foreign powers. The President has the information, professional personnel, operational experience, and national mandate to conduct a consistent long-range policy.

The legislative body, on the other hand, is elected to represent separate constituencies. Congress must of necessity take a tactical approach when enacting legislation, since the passage of laws is achieved by constantly shifting coalitions. This serves us well in the formulation of domestic policy, where we proceed by voting

on one discrete piece of legislation at a time. Although many of us may have our own long-term strategies in mind as we vote on specific legislative matters, the overall effect is a body of legislation passed piece by piece by a changing majority of legislators. We build domestic policy one step at a time to the end that the final product of domestic legislation is reflected in a consensus of various coalitions. If we later find out we have made an error in a specific piece of domestic legislation, we can change it. For example, if we determine that we have underfunded housing subsidies we can increase them the next year. But the process by which generally accepted domestic policy is arrived at does not lend itself to the formulation of a long-term, coherent, foreign policy. Once we alienate a friendly government, perhaps through shortsighted legislation, it may take years for us to rebuild that relationship and recoup the loss.

A foreign policy should be an aggregate strategy, made up of separate bilateral and multilateral relationships that fit into a grander scheme designed to promote the long-term national interests. With a comprehensive design in mind, those who execute foreign policy can respond to changes in the international environment, substituting one tactic for another as it becomes necessary, but retaining the overall strategy.

In 1816, the Senate Foreign Relations Committee put the argument this way:

The President is the constitutional representative of the United States with regard to foreign nations. He manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success. . . . The Committee . . . think the interference of the Senate in the direction of foreign negotiations are calculated to diminish that responsibility and thereby to impair the best security for the national safety. The nature of transactions with foreign nations, moreover, requires caution and unity of design, and their success frequently depends on secrecy and dispatch.

Five hundred and thirty-five Congressmen with different philosophies, regional interests and objectives in mind cannot forge a unified foreign policy that reflects the interests of the United States as a whole. Nor can they negotiate with foreign powers, or meet the requirement for diplomatic confidentiality. They are also ill equipped to respond quickly and decisively to changes in the international scene. The shifting coalitions of Congress, which serve us so well in the formulation and implementation of domestic policy, are not well suited to the day-to-day conduct of external relations. An observer has compared the conduct of foreign rela-

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tions to a geopolitical chess game. Chess is not a team sport.

III

The 1970s were marked by a rash of Congressionally initiated foreign policy legislation that limited the President's range of options on a number of foreign policy issues. The thrust of the legislation was to restrict the President's ability to dispatch troops abroad in a crisis, and to proscribe his authority in arms sales, trade, human rights, foreign assistance and intelligence operations. During this period, over 150 separate prohibitions and restrictions were enacted on Executive Branch authority to formulate and implement foreign policy. Not only was much of this legislation ill conceived, if not actually unconstitutional, it has served in a number of instances to be detrimental to the national security and foreign policy interests of the United States.

The President's freedom of action in building bilateral relationships was severely proscribed by the series of *Nelson-Bingham Amendments*, beginning with the 1974 Foreign Assistance Act (P.L. 93-559). This legislation required the President to give advance notice to Congress of any offer to sell to foreign countries defense articles and services valued at \$25 million or more and empowered the Congress to disapprove such sales within 20 calendar days by concurrent resolution. In 1976, the Nelson-Bingham Amendment to the Arms Export Control Act (P. L. 94-329) tightened these restrictions to include advance notification of any sale of "major" defense equipment totaling over \$7 million. Congress is now given 30 days in which to exercise its legislative veto.

The consequence of these laws is that for the past seven years every major arms sale agreement has been played out amidst an acrimonious national debate, blown out of all proportion to the intrinsic importance of the transaction in question. Often the merits of the sale and its long-term foreign policy consequences are ignored, since legislators are put into the position of posturing for domestic political considerations. The debate diverts the President, the Congress and the nation from focusing on vital internal matters. Finally, because arms sales debates command so much media attention, legislators are inclined to give impulsive reaction statements before they have an opportunity for informed deliberation. They thereby often commit themselves to positions that, on cool reflection, they find untenable but difficult to recant.

The recent debate over the sale of AWACS (Airborne Warning and Control System) surveillance aircraft to Saudi Arabia is a classic case in point. Under such circumstances, it becomes ex-

tremely difficult for elected legislators to ignore constituent pressures and decide an issue on its merits. For example, Congressman Dan Rostenkowski (D-Ill.) said following the House vote to reject the AWACS sale that he voted against selling AWACS to Saudi Arabia for political reasons, despite his view that the sale should go through on its merits.

Such a situation raises the possibility that should the Congressional decision do ultimate violence to our national interest, the nation whose perceived interests have been sustained by successful lobbying will pay a price later. My colleague, Senator William Cohen (R-Maine), who opposed the sale on its merits, felt compelled to vote for it because he feared its defeat would precipitate an American backlash against Israel:

If the sale is rejected, [Israel] . . . will be blamed for the dissolution of the peace process . . . when the crisis comes, . . . when everyone is pointing an accusatory finger looking for a scapegoat, I do not want to hear any voices in the United States say—if only they had not been so intransigent, if only they had agreed not to interfere, if only they had not brought this mess—this death—upon themselves.

In some cases Congress allows a sale to go through, but only after a series of trivial and humiliating restrictions are placed on the purchasing nation. This tends to negate whatever goodwill the sale was designed to achieve. For example, in 1975 the President agreed to sell HAWK surface-to-air mobile missiles to Jordan. After a national brouhaha filled with many insults to King Hussein and questions about the stability of his regime, the sale finally went through, but only in “compromise” form—we took the wheels off. Presumably, HAWK missiles without wheels would allow the Jordanians to use them in fixed positions to protect the capital and key military locations, but prevent them from moving the missiles to the front line to be used against Israel. King Hussein later asked then Secretary of State Henry Kissinger why Congress had insisted on such a trivial point. It was never a question of whether the HAWKS would be mobile or not—we knew the Jordanians would be able to buy the wheels on the international market if they decided to violate the terms of the sale. The end result was that rather than cement our friendly relations with Jordan, we succeeded in humiliating a longtime friend.

Such actions are not soon forgotten. In his recent visit to Washington, King Hussein indicated that Jordan is considering turning to the Soviet Union for its new air defense missiles. This attitude clearly stems in part from his unhappiness over Congress-

sional restrictions on U.S. arms sales to Jordan. According to a State Department spokesman, the 1975 HAWK missile sale "still rankles" in Jordan.

The *Turkish Arms Embargo* was a case where Congress tied the President's hands in negotiations. After the Turkish invasion of Cyprus on July 19–20, 1974, the Administration became involved in negotiations aimed at reconciling our two NATO allies, Greece and Turkey. After two days, a cease-fire was achieved, with Turkey controlling 25 percent of Cyprus.

Yet Congress was moving on a path of its own. On August 2, the House introduced two measures demanding the immediate and total removal of Turkish troops from Cyprus. After the second Turkish assault on August 14, the Senate Foreign Relations Committee prompted a State Department inquiry into possible Turkish violations of U.S. arms restrictions.

At one point, Prime Minister Ecevit of Turkey privately communicated his willingness to settle on terms representing a significant improvement over the status quo. The Administration was concerned that Congressional action would make it harder for Turkey to follow a conciliatory policy and thus destroy any hopes of a negotiated settlement. In an attempt to discourage a Turkish embargo, the White House invited several of my colleagues to attend briefings on the possibility of negotiations. Even after being shown evidence that a negotiation likely to improve Greece's position was in the making, these Congressmen continued to call for an arms embargo; soon, all hopes for a negotiated settlement vanished. On September 16, Ecevit's moderate government collapsed, and on October 17, the Congress imposed a Turkish arms embargo on a "very, very reluctant" President Ford. The embargo began on February 5, 1975; by that time, Turkey controlled 40 percent of the island. On June 17, 1975, Turkey responded to the embargo by placing all U.S. bases and listening posts on provisional status. On July 24, 1975, the House rejected a motion to partially lift the embargo; two days later, Turkey announced it was shutting down all U.S. bases and posts on its territory.

Thus, instead of reaching an agreement with a moderate Turkish government that controlled one-quarter of Cyprus, the United States had severely strained relations with an angry Turkish government that controlled two-fifths of the island. Furthermore, the aid cutoff weakened Turkey militarily, jeopardizing the southern flank of NATO and putting at risk our strategic listening posts in that country.

In a society such as ours, with its heterogeneous mix of various national and ethnic groups, strong lobbies are inevitable. But to submit American foreign policy to inordinate influence by these groups—often emotionally charged—is to impair a President's ability to carry out a strategy which reflects the interests of our nation as a whole. The Nelson-Bingham Amendments and the Turkish Arms Embargo were two pieces of legislation conducive to such a situation.

A second major area where Congressional intervention contributed to foreign policy disasters was the series of anti-war amendments. Throughout the early 1970s Congress proposed a series of acts aimed at forcing the United States into early withdrawal from Southeast Asia and cutting off American aid to Vietnam, Laos and Cambodia. The *Cooper-Church Amendment*, which became law in early 1971, cut off funds for U.S. troops, advisers and air support in and over Cambodia. The *Eagleton Amendment* (1973) called for American withdrawal from Laos and Cambodia. The *McGovern-Hatfield Amendment* (1970-71) set deadlines for American withdrawal from Indochina. Even though these two latter anti-Vietnam amendments did not become law, the pattern was clear by the early 1970s. My Senate colleagues would introduce one amendment after another, making it clear to the North Vietnamese that we would eventually legislate ourselves out of Vietnam. The Administration lost both credibility and flexibility in the peace negotiations. By making it clear to the North Vietnamese that Congress would prevent the President from further pursuing the war, or from enforcing the eventual peace, Congress sent a clear signal to our enemies that they could win in the end. The North Vietnamese were encouraged to stall in the Paris Peace Talks, waiting for American domestic dissent to provide them with the victory their military forces had been unable to achieve. After the Paris Agreements, aid to South Vietnam was throttled.

Finally, on July 1, 1973, we destroyed any hope of enforcing the Paris Peace Accords. The *Fulbright Amendment* to the Second Supplemental Appropriations Act for FY 1973 prohibited the use of funds "to support directly or indirectly combat activities in . . . or over Cambodia, Laos, North Vietnam and South Vietnam." As I said in Congressional debate over the Eagleton Amendment, the forerunner to the Fulbright Amendment:

It has tremendous significance because it marks the placing on the President of an . . . inhibition in the conduct of foreign relations, in the negotiating of

agreement and treaties, and in the implementation and enforcement of those agreements once arrived at. . . . What we have in effect done in the Eagleton Amendment is said to [the North Vietnamese]: 'You may do whatever you please. Having concluded this agreement, we intend to walk away from it, and we don't care whether you violate those provisions or not.'

I believed then and still believe that our failure to enforce the Paris Accords was a principal contributor to Communist victory in Indochina and the resulting horrors we have seen since in Laos, Cambodia and Vietnam. Reasonable men may argue whether or not we were right in being in Vietnam in the first place. I remain convinced that we made many mistakes that led us there, and that our direct involvement was ill conceived. But to deny a President the military means to enforce a negotiated agreement guaranteed that all the sacrifices that came before it would be in vain. Just because a peace agreement is signed or a cease-fire agreed to is no guarantee that both sides will live up to it. After World War II we enforced the peace with Germany and Japan by occupation forces. We guaranteed the Korean cease-fire by the continued presence of U.N. troops at the Demilitarized Zone. The Fulbright Amendment prohibited our enforcing the Paris Accords. We bought a settlement in Vietnam with 50,000 American lives that gave South Vietnam, Cambodia and Laos a chance to survive—a chance that was thrown away when we refused to be guarantors to that settlement.

The *War Powers Act* (P.L. 93-148) is probably the most potentially damaging of the 1970s legislation, although we have yet to experience a crisis where its effects are felt. The War Powers Act (1973) grew out of Congress' frustration with the war in Vietnam and its desire to prevent such a situation from ever happening again. Although President Nixon vetoed the Act on October 24, 1973, terming it "unconstitutional," his veto was overridden two weeks later by the House and Senate.

The act provides that before American troops are introduced "into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances" the President is to consult with Congress "in every possible instance." The President must notify Congress and submit a report within 48 hours after armed forces are sent abroad, "setting forth the circumstances necessitating the introduction of U.S. forces" and the "estimated scope and duration of the hostilities or involvement." After this initial two-day period, the President has 60 days to withdraw those forces or receive Congressional authorization for an extension, or a declaration of war.

This act jeopardizes the President's ability to respond quickly, forcefully and if necessary in secret, to protect American interests abroad. This may even invite crises. Although the act does not specify whether the report to Congress must be unclassified, there remains the possibility that a confidential report would become public knowledge. In many cases the more urgent the requirement that a decision remain confidential, the greater the pressures for disclosure. Thus, by notifying Congress of the size, disposition and objectives of U.S. forces dispatched in a crisis, we run the risk that the report may get into the public domain. If this information becomes available to the enemy, he then knows exactly what he can expect from American forces and thus what risks he runs in countering American actions. This removes any element of surprise the U.S. forces might have enjoyed and eliminates any uncertainties the adversary might have as to American plans.

It is interesting to speculate on just how damaging the legislation could prove to be at some future point. For that matter, what if the Iranian rescue attempt had gone somewhat differently? On April 26, 1980, President Carter reported to Congress the use of armed forces in the unsuccessful attempt to rescue American hostages in Iran on April 24, in full compliance with the 48-hour notification requirement of the War Powers Act. In this case, the rescue operation was over by the time the report was submitted, so there was no longer a need for secrecy nor a need for Congress to consider whether forces should be authorized or withdrawn. But what if the rescue attempt had bogged down or been planned as a longer effort? No doubt the details would have gotten out almost immediately, leaving little doubt in the minds of the Iranians just what the Americans were up to. While the framers of the War Powers Act intended it to prevent another Vietnam, their legislation has the effect of severely limiting the President's ability to respond quickly, forcefully and in secret to a foreign crisis.

In addition to the questionable wisdom of the reporting and consulting requirements of the War Powers Act, there are also doubts as to whether the legislative veto contained in the act is constitutional. Section 5 of the Act allows Congress the right to terminate any use of force, at any time, that has not been specifically authorized by either a declaration of war or similar legislation, by a concurrent resolution passed by a simple majority of both Houses. The legislative veto contained in the War Powers Act would appear to be in violation of Article 1, Section 7 of the Constitution. This so-called presentation clause clearly stipulates

that an act can become law only if it is passed by a majority of both Houses of Congress followed by the President's assent, or by a two-thirds vote in each Chamber to override the President's veto.

After the Indochina debacle, there was a raft of Vietnam-syndrome legislation that sought to prevent the President from getting us involved in "future Vietnams." The *Tunney Amendment* to the Defense Appropriations Act of 1976 (P.L. 94-212), which passed the Senate on December 19, 1975, prohibited the use of "funds appropriated in this Act for any activities involving Angola other than intelligence gathering."¹ My colleagues feared that President Ford's attempts to offer minimal assistance to the pro-West UNITA (National Union for the Total Independence of Angola) and FNLA (National Front for the Liberation of Angola) factions would somehow embroil us in "another Vietnam." The domestic debate over whether we should become involved in Angola sent a clear signal to the Soviets and their Cuban proxies. They knew that the risk of U.S. intervention was low, and the possibility of continued U.S. assistance to the pro-Western factions slim.

Although the Soviet-Cuban airlift halted temporarily in December with President Ford's stern warning to the Soviet Ambassador, the airlift resumed with a vengeance following passage of the Tunney Amendment on December 19, 1975. The number of Cubans in Angola doubled as they began flying in fresher troops for what was to become an all-out offensive against pro-Western forces. By January the Soviet Union had increased its military assistance to the MPLA (Popular Movement for the Liberation of Angola) and stationed Soviet warships in the vicinity of Angola. They began extensive ferrying operations for Cuban troops. It was clear that the United States had lost whatever leverage it might have had to persuade Soviet leaders to reduce Soviet and Cuban involvement in Angola.

With Angola the Soviet Union entered a new phase; never before had it or its surrogate Cuban army attempted such large-scale operations in Africa or anywhere else in the Third World. Their successful intervention in Angola bestowed on the Soviet Union and Cuba the image of dependable allies and supporters of radical movements in southern Africa. The United States by

¹ The Clark Amendment to the Arms Export Control Act of 1976 (Sec. 404, P.L. 94-329), which became law on June 30, 1976, further tightened the restriction by prohibiting "assistance of any kind . . . for the purpose, or which would have the effect, of promoting or augmenting, directly or indirectly, the capacity of any nation, group, organization, movement, or individual to conduct military or paramilitary operations in Angola."

contrast was portrayed as having lost its taste for foreign involvement after Vietnam, and as being domestically divided over a foreign policy strategy. The moderate black African states lost confidence in America's willingness to stem the tide of Soviet involvement in the region.

After being reduced to sporadic guerrilla engagements for over a year, in July 1977 the pro-West UNITA faction declared its intention to renew the fight. Following this announcement, the Soviets and Cubans increased their efforts. As of late 1979, there were some 19,000 Cuban troops, 6,000 Cuban civilian technicians and 400 to 500 Soviet advisors in Angola. Although the guerrilla war continues, the Clark Amendment prohibits the United States from offering any aid to the pro-Western faction. The Clark Amendment prevents us from responding to Soviet and Cuban involvement in Angola, and leaves open to them the mineral-rich, strategically important region of southern Africa.

Finally, two of the most damaging Congressional intrusions into national security policy were the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (the so-called *Church Committee*) and the *Hughes-Ryan Amendment* to the Foreign Assistance Act (P.L. 93-189). As vice-chairman of the Church Committee (1975-76) I sought to limit the damage to our intelligence community, although to little avail. By conducting a public inquiry into the CIA we exposed not only its supposed blunders and malfeasance but also important information as to how the CIA is organized, how it gathers intelligence and what kinds of sources and methods it uses.

The Hughes-Ryan Amendment, which became law on December 30, 1974, prohibited any CIA activities abroad that are not directly related to intelligence gathering, "unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operations to the appropriate committees of Congress." By 1977 information about covert intelligence activities was available to eight Congressional committees, for a total of 200 members or roughly 40 percent of Congress.²

This, plus the Church Committee hearings, confirmed to our adversaries that clandestine operations would be severely curtailed in the future. It sent a signal to our adversaries that they could

² In one of the few reversals of the 1970s legislation, in October 1980 the President signed into law an amendment to the National Security Act (P.L. 96-450), which stipulates that he must report covert operations to only two Congressional Committees, the House and Senate Select Committees on Intelligence.

proceed with impunity in the "back alleys of the world." These actions also shook the confidence of those friendly states which had cooperated with us in intelligence gathering, and caused many of them to reassess their relationship with the U.S. intelligence community. They feared Congressional investigations of the CIA would expose their own intelligence sources and methods. In private conversations with officials of friendly intelligence agencies, I have been told that the Church Committee raised doubts about the wisdom of their cooperating with the United States in the future. This has also adversely affected our cooperation with countries that for political reasons take a publicly hostile attitude toward the United States, but who privately cooperate with us on some matters of mutual interest. They fear the publicity generated by a Congressional investigation would expose what is essentially a private relationship, and lead to unfavorable domestic political consequences for them. Finally, either through leaks or publicly released data, the Church Committee titillated the press with daily helpings of some of our nation's most treasured secrets.

IV

If we are to meet the foreign policy challenges facing us in the 1980s, we must restore the traditional balance between Congress and the President in the formulation and implementation of foreign policy. To do so, much of the legislation of the past decade should be repealed or amended.

Many in Congress are coming to this conclusion and are working toward a reversal of the imbalance. The 1980 modification of the Hughes-Ryan Amendment to require notification of covert actions to only the two Intelligence Committees is one such step, as is the Senate's October 22, 1981, vote to repeal the Clark Amendment. Further efforts in this direction are essential if we are to have the maximum flexibility required to respond to a fast-changing world.

In addition to reversing much of this legislation, we should also look at new legislation which may be appropriate. There are strong arguments in favor of creating an unspecified contingency fund for economic and military assistance. One of the consequences of the 1970s legislation was that such funds which had previously existed were either abolished or severely curtailed. Reestablishment of such funds would grant the President the flexibility he needs to be able to respond quickly to help new friends that emerge unexpectedly, or old friends who are suddenly endangered. While disbursement of these funds should be made with appropriate notification to Congress, the inevitable delays

involved in waiting for new Congressional authorization should be avoided.

For example, when Zimbabwe became independent on April 18, 1980, the new government was strongly anti-Soviet, pro-West and in need of economic assistance. On the day he took office, President Mugabe invited the United States to be the first nation to establish diplomatic relations with and open an embassy in Zimbabwe. We responded with a pledge of economic assistance, but due to the lack of funds for such contingencies, were able to grant only \$2 million. We had to wait almost ten months, until the next appropriations cycle could be completed, to grant Zimbabwe the amount of economic assistance it needed.

We face a similar situation in northern Africa today. In the confusion cast over the area in the wake of the Sadat assassination, Libyan President Qaddafi has heightened threats against the anti-Soviet government of Sudan. The Libyan army appears to be on an alerted posture. Were Libya to attack Sudan tomorrow, there is very little the United States could do right away to assist President Nimeiry.

As legislation now stands the President has certain limited flexibility to grant military assistance to respond quickly to unplanned situations. The Foreign Assistance Act of 1961, as amended, permits the President, in the interests of national security, to draw on U.S. military stocks, defense services, or military education and training, up to \$50 million in any fiscal year for foreign use. In 1981 the Reagan Administration requested that new contingency funds totalling \$350 million be established for emergency economic and military assistance. As of mid-November 1981 Congressional action on this request is still pending, although it appears that both Houses are moving to reduce significantly the size of these contingency funds.

In supporting such discretionary authority and appropriations, and urging the repeal of the excessively restrictive legislation of the 1970s, I am in effect proposing a return to the situation that prevailed in the 1950s and 1960s.

At that time the Congress did provide discretionary authority and substantial contingency funds for the use of Presidents Truman, Eisenhower, Kennedy and Johnson. Each of these Presidents employed his authority to act quickly and decisively in ways which, on balance, served the national interest—especially in new and unforeseen situations emerging in what we now call the Third World. The basic authority of the Congress to appropriate funds for the armed forces and foreign activities remained constant.

Indeed, the Congress from time to time expressed its views forcefully as to the desirability of support for nations that acted in ways prejudicial to American interests. (An early example of such legislation was the Hickenlooper Amendment, which for many years expressed Congress' general opposition to continue aid to countries that nationalized private American companies without adequate compensation.) The crucial difference is that such expressions of Congressional sentiment almost invariably contained a saving clause that permitted the President to go ahead if he certified to the Congress that the action was necessary for overriding national security reasons. This is a perfectly sound and reasonable practice, and one that avoids the immense complications and possible unconstitutionality of the legislative vetoes introduced by the various amendments of the 1970s.

In short, what I propose above is vastly more effective than the present situation, sounder from every constitutional standpoint, and fully in keeping with past precedents.

v

Finally, in reconsidering the legislation of the 1970s, it is useful to reexamine it and its causes in a more dispassionate light than that of the period. At the time, much of this legislation was considered a necessary response to counter the excesses of the presidency. Since the Vietnam War had never been formally declared by Congress, it was seen as the President's war. Watergate, along with the war, was considered to be the result of a Presidency grown too authoritarian. If the war were ever to end, and if future Vietnams were to be prevented, the President's foreign policy authority would have to be proscribed. As Arthur Schlesinger put it, the theory "that a foreign policy must be trusted to the executive went down in flames in Vietnam. . . . Vietnam discredited executive control of foreign relations as profoundly as Versailles and mandatory neutrality had discredited congressional control."³

If this legislation was motivated by an "Imperial Presidency," whose ultimate manifestation was an undeclared war, then the motivation is flawed. Blame for Vietnam can be laid at many doors: a series of American Presidents, and those in the civilian leadership who advocated gradual escalation and limited rules of

³ Arthur M. Schlesinger, Jr., *The Imperial Presidency*, Boston: Houghton Mifflin, 1973, pp. 282-83.

engagement. But Congress was not blameless. The war in Vietnam, while undeclared by Congress in a formal sense, had de facto Congressional support. Beginning in the mid-1960s the Administration sent defense authorization and appropriations bills to Congress—legislation which clearly designated certain men and monies for the war effort. Year after year Congress acquiesced in the Vietnam War, by authorizing and appropriating resources for it. As former Senator J. William Fulbright remarked, “It was not a lack of power which prevented the Congress from ending the war in Indochina but a lack of will.” With waning public support for a war which seemed to drag on forever, many in Congress and the media looked to a single explanation—for a scapegoat who could be held accountable for an unpopular war. Blame for the war in Vietnam was attributed to the usurpation of power by the President.

In the early 1970s Congress reversed itself and belatedly attempted to use its appropriation authority to end the war. While this was certainly within its prerogative, the timing was of questionable wisdom. Our efforts to disengage from Vietnam and to negotiate with the North Vietnamese were made more difficult by Congressional intervention. Congressional action made a settlement all the more difficult to achieve and, ultimately, impossible to enforce. The view that the Vietnam War discredited forever Executive control of foreign policy was an emotional reaction, driven by the passion of the moment. Because of it, Congress embarked on a course to limit not only President Nixon’s flexibility, but also that of future Presidents. Congress prescribed a cure for a nonexistent disease. The lasting effect was that Congress institutionalized its foreign policy differences with the President by legislating permanent solutions for a temporary situation.

As Cyrus Vance said at the 1980 Harvard commencement, “Neither we nor the world can afford an American foreign policy which is hostage to the emotions of the moment.” The authority to conduct external relations should not vacillate between Congress and the President as a result of failed or unpopular initiatives. The whole point of a written constitution and body of judicial opinion is to establish a consistent mechanism for apportioning authority. Whereas the Constitution confers on the Senate the duty of advice and consent in the making of treaties, on the Congress the power to appropriate monies for armed forces and to declare war, and special authority in the field of trade, it confers on Congress no other special rights in the field of external affairs.

The cumulative effect of this legislation is that, as the United States enters a period when the greatest flexibility is required of an American President to deal with fast-changing situations in the world, Congress has inhibited the President's freedom of action and denied him the tools necessary for the formulation and implementation of American foreign policy. We know that the Soviet Union maintains clandestine operations which are well organized, well disciplined, well financed, well trained and often well armed, in virtually every Third World country. They are in a position to exploit many restive political situations which they may or may not originate. To inhibit the United States in its ability to conduct covert operations, to provide military assistance to pro-West governments or groups, and to respond quickly to military crises is to concede an enormous advantage to the Soviet Union and its proxies.

It is my sincere hope that Congress will reexamine its role in the conduct of foreign policy and repeal or amend, as necessary, the legislation of the 1970s. The end towards which we should work is to do whatever is necessary to strengthen America's ability to formulate and implement a unified, coherent and cohesive foreign policy to face the challenges of the 1980s.

Robert Carswell

ECONOMIC SANCTIONS AND THE IRAN EXPERIENCE

Fifty-two Americans were taken hostage in Iran on November 4, 1979. Ten days later, in circumstances to be related, President Carter froze all assets of the government of Iran in the United States and under the control of U.S. banks, businesses and individuals outside the United States. This action, and related measures taken later, deprived Iran of the use of more than \$12 billion in bank deposits, gold and other property. The President also cut off most export and other transactions between the United States and Iran and asked the U.N. Security Council to vote similar sanctions. U.N. action was blocked by a Soviet veto on January 13, 1980, but other nations gradually reduced their commerce with Iran. As the hostage crisis dragged on, these sanctions deprived Iran of critical supplies and spare parts and forced it into expensive deals with unreliable middlemen.

The Iran-Iraq war started in September 1980, and by the late fall Iran was bogged down in a costly war of attrition. Its receipts from the sale of oil dropped to virtually nothing, and its lawsuits to recover the \$12 billion in frozen assets stalled or failed. Although Iran was able to keep some imports flowing, it found the volume of supplies necessary to conduct a shooting war increasingly expensive and hard to obtain. Its financial reserves were dropping rapidly and, unless replenished, would have soon limited Iran's ability to pay for imports.

We do not know precisely why Iran decided after 14 months to agree to the Declarations of Algiers and release the 52 hostages on January 20, 1981. Holding them had become an embarrassment rather than a domestic rallying point. The issue diverted Iran's leaders from their official duties and impeded efforts to gain support against Iraq in the United Nations and from other nations. These were undoubtedly important factors not connected directly with any U.S. action.

But at the same time it seems clear that a number of U.S. or U.S.-urged actions must have had an impact. The release of the

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hostages came as the result—or after the employment—of scores of direct and indirect initiatives taken by the United States and foreign governments and by private individuals. Diplomatic measures such as the closing of the Iranian Embassy in the United States and the deportation of some Iranians were part of the montage, as well as various actions taken to rally political support around the world against the Iranians. The abortive military rescue attempt of April 1980 and the presence of U.S. carrier task forces in the Indian Ocean may have heightened Iran's sense of vulnerability. The successful action brought by the United States against Iran in the International Court of Justice and the broad support of the U.S. position in the United Nations were also important. Finally, President-elect Reagan had made it clear that negotiations would stop when he took office.

To appraise the full range of actions taken by the United States or under U.S. urging is beyond the scope of this article. What is clear, however, is that by January 1981 Iran was faced with a practical certainty that, unless it reached agreement with the outgoing President Carter, it could look forward at best to continued isolation internationally, and to an indefinite freeze of major financial reserves and long-term shortages of critical imports.

The objective of the economic sanctions was to help precipitate this type of situation and thus to clarify the thinking of Iran's leaders and assist in forcing a solution. That objective was apparently achieved. Since nonlethal foreign policy weapons that work are always at a premium, it is worth reviewing this aspect of the Iranian hostage episode for whatever guidance it may provide.

II

The first and most important U.S. economic sanction was the blocking, or freezing, of the \$12 billion of assets of Iran that were under U.S. control. This was by far the largest blocking of assets in U.S. history, and by far the most successful. It was controversial with our Western allies, potentially threatening to the Saudis and other foreign investors in the United States, who might view themselves as potential future objects of U.S. sanctions, and raised novel and often difficult questions of law and policy. It may also prove a costly precedent.

In the beginning, no one in the United States or Iran knew exactly how much had been blocked. Department of the Treasury officials originally estimated more than \$8 billion, but when a census had been completed eight months later, the total exceeded \$11 billion and later topped \$12 billion as interest continued to

accrue. This was an unexpectedly large amount, and the possible use of these assets was the subject of much debate.

Although it was not universally understood, from the beginning the blocking had a dual purpose, the release of the hostages and the protection of the property claims of U.S. individuals and corporations against Iran. The President's report to the Congress on November 14, 1979 explicitly stated those objectives.

If the hostages had been released by Iran in the first few months, the President might have been able simply to unfreeze the blocked assets and let the U.S. claimants fend for themselves. But as the impasse continued, U.S. claimants tied up the blocked assets with attachments filed in courts all over the country. They also argued forcefully to the Administration and to the Congress that their interests should be protected in any settlement with Iran. Thus, after some months it had become quite clear that the release of the hostages by Iran would also have to be accompanied by some kind of financial settlement between the United States and Iran. Iran would want its assets back when it returned the hostages, but U.S. claimants were in a position to delay or prevent the return of many of those assets. A negotiated settlement was the only way out.

Apart from the very large amount of assets blocked, some \$12 billion in total, the unique and unprecedented feature of this blocking was that it included more than \$5.6 billion of deposits and securities held by overseas branches of U.S. banks. While all U.S. blocking actions since World War II (e.g., against the People's Republic of China in 1950, Cuba in 1962 and North Vietnam in 1970) by their terms have blocked assets under the control of U.S. persons or institutions outside the United States, this was the first time any significant amount of such overseas assets had actually been caught. Thus the Iranian freeze raised important issues involving the extraterritorial effect of U.S. laws and interference with the international banking system. By a stroke of his pen, the President of the United States had immobilized over \$5 billion in deposits in other countries and kept them immobilized for 14 months.

The repercussions of this overseas blocking are by no means over. Some grasp of how the U.S. orders worked is necessary to understand the impact and hazards that flow from the use of this extraordinary sanction.

The blocking of overseas assets was justified on two grounds. The first was that every country has a right to legislate and exercise power over its nationals wherever they may be. This was

a conventional U.S. assertion and has led in the past to bitter confrontations between the United States and other countries. For instance, during the Vietnam War the United States took the position that the French subsidiary of the Fruehauf Corporation was prohibited from carrying out a contract to sell vans to another French company acting for the People's Republic of China. The French court said French law governed the situation; it then intervened in the management of the French subsidiary and directed that the contract be honored. In this confrontation the United States eventually backed down, but in other situations it has successfully asserted economic power over property held by Americans abroad, to the occasional consternation of its allies.

Moreover, both the U.S. case for blocking of the overseas deposits and its capacity to make this effective were reinforced by the structure and operation of the international banking and payments system. Virtually all of Iran's financial reserves were held in dollar deposits and the bulk of them in so-called Eurodollar accounts. Those are accounts denominated in dollars maintained by offices of banks located outside the United States and principally in Europe (hence the name "Eurodollar").

For reasons rooted in history and practice, virtually all banking transactions in Eurodollars clear through New York. Thus a payment by Iran from a dollar account in London to an exporter in Germany is made through a bank payments clearance system in New York. The payment is electronically routed through New York: Iran's London bank tells its New York correspondent bank to pay the New York correspondent bank of the German exporter.

Since Eurodollar accounts operate through New York, the United States asserted that it could effectively block those accounts without resort to extraterritorial power simply by blocking the use of the U.S. clearing or "cover" accounts, that is the dollar accounts all foreign banks maintain with their U.S. correspondent banks in New York to cover or facilitate payments. Although the theory of utilizing a cover account as a basis for blocking overseas assets had occasionally been asserted by Treasury's Office of Foreign Assets Control, this was the first occasion when it assumed real importance. The cover account theory has never been tested in either a U.S. or foreign court.

The original freeze order blocked not only Iran's dollar deposits held by U.S. banks abroad but also deposits held in other currencies, for instance, an account maintained by Iran in francs at the Paris branch of a U.S. bank. Other governments quickly expressed their objections to that extensive a U.S. extraterritorial reach, and

since the aggregate amounts appeared not to be large, non-dollar accounts at U.S. overseas bank branches were unblocked.

Within a few weeks after the blocking, Iran brought suit in London demanding that the U.S. overseas bank branches immediately pay over their blocked Eurodollar deposits. The banks defended the suits on the ground that the U.S. blocking order prohibited them from doing so, and asked foreign courts to give effect to the U.S. blocking order. Later, after the United Nations had voted to impose sanctions on Iran and the International Court of Justice had declared Iran's taking of hostages to be in violation of international law, the banks urged foreign courts as a matter of national policy to support positions on international law that their governments had already endorsed and accordingly to deny relief to Iran.

The situation became more complicated when the Administration permitted the banks to set off loans that they had made to Iran against the overseas deposits of Iran, that is, prematurely to pay off loans they had made to Iran from the Iranian deposits they held. The banks promptly took over two billion dollars in setoffs, and the validity and effectiveness of those setoffs also became an issue in the U.K. litigation. The Administration licensed these overseas setoffs in part to strengthen the banks' litigating posture but also in recognition of the fact that setoffs might provide a quick and simple way to settle a substantial amount of claims by U.S. parties against Iran and from assets that were only tenuously within the control of the United States.

While the United States was successful for 14 months on one theory or another in preventing Iran from using these overseas assets, no one was under any illusion that these assets could later be vested by the U.S. Congress and brought back to the United States to the benefit of U.S. creditors and to the possible derogation of creditors in the United Kingdom (and elsewhere). While Her Majesty's Government might be slow to help the Iranians while they held hostages, it seemed quite unlikely that it would permit up to six billion dollars to be removed from the books of bank offices in the U.K. and confiscated solely on the basis of legislation enacted in the United States, with the implications that might have for sanctity of contract and equal protection of law in the U.K.

No foreign government was prepared to take rigorous action such as blocking Iranian funds denominated in its currency or under its control; however, they did nothing to help Iran free its dollar assets blocked by the United States. Privately, some ex-

pressed the view that the United States had overreacted, but they agreed that if the United States felt action was necessary, extra-territorial blocking was preferable to the use of force—at least so long as no oxen of theirs were gored and the blocking, and any unpleasant fallout therefrom, was restricted to U.S. banks and to dollar accounts. They also were clear that “blocking” was infinitely preferable to the U.S. government’s “vesting” or seizing the Iranian accounts. (Vesting, which would have required legislation, was urged from time to time in various quarters to demonstrate the seriousness with which the United States viewed the situation, but was not seriously pursued.)

Since the final settlement embodied in the Declarations of Algiers rendered litigation over the overseas blocking moot, one can only speculate whether in the end the courts of the U.K., and of France, West Germany and Turkey where litigation was also initiated by Iran, would have supported the blocking. Some knowledgeable legal experts think Iran in the end might have prevailed, but it would have taken a very long time and intervening political events might have altered the course of the litigation. Whether that judgment would have proved correct is not particularly important, because by the end of 1980 it had become clear that the U.S. blocking action would be effective indefinitely unless the foreign governments changed their positions and supported Iran. They were not about to do that while the hostages were held.

The United States devoted considerable resources to keeping the Iranian assets blocked. The Department of Justice monitored and intervened in lawsuits all over the United States. It engaged counsel in the U.K. and France. All during the period the hostages were held, the Treasury published detailed regulations and interpretations, and Treasury officials conferred with representatives from the hundreds of banks and corporations that held blocked assets. The \$5.6 billion in blocked overseas deposits were held by ten U.S. banks, Bank of America being the principal one. Because of the size and novelty of that blocking and the likelihood that those assets would prove crucial to any settlement and hostage release, Treasury made a particular effort to understand the claims those banks had against Iran as well as the blocked assets they held. When the time came to settle with Iran that familiarity proved indispensable.

III

Very few exports moved from the United States to Iran after the hostages were seized, because U.S. longshoremen refused to

load cargoes destined for Iran. Three days after the hostage taking, the President prohibited U.S. companies from purchasing oil from Iran. A week later, at the time Iran's assets were frozen, the President also proscribed certain exports to Iran and transactions with Iran. The scope of the proscription was expanded as the months passed, and in April 1980, after U.N. intermediation had broken down, all imports from Iran and all U.S. exports to Iran (except for food, clothing and medicine) were formally prohibited.

The sanctions against Iran imposed by allies of the United States were considerably less rigorous. In early December 1979 high-level U.S. officials visited the capitals of the U.K., France, West Germany, Italy, Switzerland and Japan and discussed sanctions those countries might impose. Simultaneous efforts were pursued to have sanctions mandated by the U.N. Security Council. After the U.N. effort had been frustrated by the Soviet veto, most of the allies of the United States unilaterally imposed the limited array of financial and export sanctions for which they had voted at the United Nations. Basically these amounted to a prohibition against the export of military supplies to Iran and an agreement not to extend new credit to Iran. Some of them, and in particular Japan, which had been the largest purchaser of Iranian oil, at first refused to pay premium prices for Iranian oil and eventually stopped purchasing oil from Iran.

Many allies of the United States were concerned that a successful embargo might so weaken Iran that it would descend into chaos or come under Soviet influence. Others had large numbers of nationals still working in Iran and extensive contractual or financial interests in Iran that they were loath to jeopardize. Some felt that diplomatic approaches they were conducting gave more promise of results.

Administration of the U.S. sanctions was relatively simple because as a practical matter major U.S. companies had little interest in trading with Iran. Over the period of 13 months when U.S. controls were in effect, there were indeed several hundred inquiries or applications for licenses to export to or import from Iran, but the great bulk of these were by small companies or for minor items. A few hardship situations were licensed, but most applications were denied. Only a handful of significant enforcement situations involving U.S. persons were processed during the whole period.

An extensive effort was also made to monitor non-U.S. trade with Iran, and when instances of shipments of military goods were identified or apparent transgressions of sanctions discovered, the friendly countries involved were contacted. With varying degrees

of enthusiasm, they usually sought to enforce their sanctions.

Assessing the effect of the trade sanctions is difficult, particularly since the results of economic mismanagement in Iran can easily be confused with problems arising from externally caused shortages. Many units of the Iranian armed forces had been equipped from U.S. sources and were dependent on those sources for resupply; many of Iran's key installations, particularly in the oil and gas sectors, had been constructed and maintained by U.S. contractors. Iran was thus uniquely vulnerable to U.S. sanctions. But even though the sanctions largely prevented direct resupply of these critical areas, Iran apparently was able, by paying exorbitant prices through middlemen, to meet its most critical needs. After the start of the war with Iraq, the situation rapidly worsened, and by the end of 1980 it is likely that the U.S. sanctions against exports were having real impact.

There is insufficient available information on which to base an assessment of the effect of sanctions imposed by allies of the United States. Some military equipment Iran badly wanted was not shipped from one country; transshipment of some spare parts was stopped by another; but export of key oil and gas equipment parts was permitted by a third. There was no way for the United States to monitor more than a portion of what went on. Hence, the best that can be said now is that the sanctions undoubtedly caused Iran difficulties but probably not insuperable ones.

IV

In retrospect, it appears that by early January 1981 Iran had decided to release the hostages if it could make a satisfactory deal for release of the frozen assets. Demands for political apologies and \$24 billion in guarantees had been dropped. What remained was to find a formula by which U.S. private claims against Iran could be resolved, by which some kind of face-saving commitment could be given by the United States to assist in recovery of the Shah's assets and, most important, by which at least a significant portion of the frozen assets could be returned immediately to Iran.

About one-third of the \$12 billion in blocked assets was held by banks and businesses in the United States. To return more than a small percentage of those assets to Iran, some 20 courts across the country would have had to discharge attachments and other forms of process. That could not be done on any time schedule then foreseeable. The Federal Reserve Bank of New York held another \$2.4 billion in cash, securities and gold owned by Iran, and both the Attorney General and counsel to the bank had

concluded it could obey a presidential order to return those assets. So those funds could be made available—but Iran wanted more.

The balance of Iran's assets were blocked overseas. About \$5.6 billion (including almost \$800 million in interest) was on deposit in the overseas branches of U.S. banks (mostly in the U.K.), free of attachment, and could be returned to Iran if the President cancelled his blocking order. But the banks had substantial legal arguments for refusing to return the deposits until Iran settled its loans from them on some acceptable basis. Since some of the banks had agreements to share any repayments they might receive from Iran with foreign banks who had participated in making particular loans to Iran, it was difficult to determine the amounts necessary to pay off the loans. In addition, no one knew whether Iran intended to refuse to pay some of the hundreds of outstanding loans—because they were “debts of the Shah”—or how much interest Iran thought should be paid by the banks on the blocked accounts.

Attorneys for the banks had been meeting secretly since May 1980 with the U.S., U.K. and German attorneys for Iran. Treasury and State Department officials were briefed on the meetings as they occurred, and although progress seemed very slow, at least both sides were getting educated in the complications of the situation. The banks worked with the Treasury and the Federal Reserve Bank of New York, and eventually with a specially retained accounting firm, to develop accurate numbers on all outstanding loans and deposits—a considerable job in view of the very large amounts involved and absence of cooperation from Iran.

Senior bank officers understood that at least some of the deposits would have to be returned concurrently with the hostage release. No bank wanted to accept responsibility for delaying the hostage release, but the banks also wanted to improve the prospects for the payment of several billion dollars of dubious loans. The President had no legal power to force loan settlements. A public dispute with the banks would be difficult to control and might well derail the Algerian intermediation that began in late 1980. The situation was delicate, and the terms of settlement elusive.

In the second week of January 1981, Iran sent its U.K. and German attorneys to New York to work on the details of a settlement involving the overseas assets, and the increasing realism of Iranian demands as transmitted through the Algerians signalled Iran's resolution to end the crisis.

The final two weeks of around-the-clock negotiations were

conducted in various segments in Washington, New York, London, Algiers and Tehran. This was an extraordinarily short time in which to complete a transaction of this size and complexity. That it closed as President Reagan was returning from the inauguration ceremonies was a testament as much to endurance and luck as to skill and planning.

It had been clear for some time to everyone—the United States, Iran, the Algerian intermediaries, and the private claimants—that all U.S. claims against Iran could not be settled in advance of the hostage release. After a week of tough bargaining on language, agreement was reached on the framework by which non-bank claims against Iran, and by Iran against the United States, would be resolved—through international arbitration based on rules formulated several years ago by a U.N. agency, UNCITRAL (U. N. Commission on International Trade Law). But a procedure for reinstating the bank loans and for Iran providing security for the reinstated loans was proving difficult to work out.

Then, on January 15, 1981, the break came. Iran reduced the amount of cash it demanded be returned and announced it would pay off its syndicated bank loans, that is, the loans made to Iranian entities by syndicates of U.S. and foreign banks. Payment of those loans used up almost \$3.7 billion of the nearly \$5.6 billion of blocked overseas deposits. Iran agreed that another \$1.4 billion would go into an escrow account to secure payment of non-syndicated loans made by U.S. banks and contested interest of about \$130 million paid by some U.S. banks on Iran's overseas deposits. Iran ended up on January 20 with most of its foreign loans paid off, and with a little less than \$3 billion in cash (\$500 million from the overseas deposits and about \$2.4 billion in assets returned by the Federal Reserve Bank of New York).

In short, the eventual settlement not only dealt with the syndicated bank loans, but substantially improved the situation of non-syndicated loans and of other U.S. claimants against Iran—on any realistic comparison with the situation in November 1979, when the hostages were taken.

At that time U.S. corporations were engaged in hundreds of disputes with the new revolutionary government of Iran involving incomplete construction projects, expropriation or nationalization of oil, gas and mineral properties, seizure of equipment and plants, and uncompleted contracts for both military and civilian goods. Many billions of dollars were and are involved in these disputes. Iran was taking extreme negotiating positions and asserted that its sovereign immunity placed its assets beyond the reach of U.S.

claimants and creditors. In addition, U.S. banks (individually or in syndicates) had extended more than \$1.8 billion in loans and credits to various Iranian government units. The prospects for repayment of those loans and credits, like the prospects for settlement of the many claims, were uncertain.

The settlement provides for binding, impartial arbitration to resolve the various contractual disputes. Almost two-thirds of all bank loans have been paid off, and the balance will be resolved either through negotiation or by binding, impartial arbitration. Payment of arbitral awards will be secured by Iranian assets held by a third party escrow agent.

The history of recovery by U.S. companies or banks from revolutionary governments has not been good. Cuba has paid nothing. The People's Republic of China settled after 30 years for 40 cents on the dollar. In that context, the settlement with Iran looks very good. Even if it is subsequently modified by agreement or court order, the overall position of U.S. claimants has been improved from the unpromising status of two years ago. The leverage that the blocking and the sanctions gave the United States in the final negotiations is almost certainly responsible for that result. Iran could not get its assets back without agreeing to a framework to resolve legitimate commercial and financial claims.

While it may be decades before all U.S. commercial problems with Iran are resolved, the freeze and the sanctions—for all practical purposes—are now history. It seems clear now that they were a short-term success. But it is equally clear that, because of the negotiating complexities caused in the final week by the freeze, they also came very close to frustrating or delaying the release of the hostages. The margin of success was very thin.

v

Foreign policy makers do not always give weight to the appropriateness, or cost-effectiveness, of the imposition of a unilateral economic sanction by the United States. Rather than work through a rigorous analysis, they justify the imposition of a sanction by some variation of sonorous themes: some action is necessary; there is no other appropriate response available; a political or military response is too risky; the United States must show leadership and it will take too long, or it is too doubtful a prospect, to attempt a coordinated response with one's allies.

Once that type of rationale is accepted, it is unnecessary to pursue whether the particular economic sanction in the short or

long run will hurt the United States more than the country sanctioned or even whether it will be effective. The fact, or appearance, of action, combined with the perceived lack of any other immediate response, carries the day. Thus it is possible to announce an immediate grain embargo against the U.S.S.R. in response to the latter's aggression in Afghanistan before establishing whether or how the embargo could be effective and what its cost would be. The fact that the embargo later proves domestically costly, is undercut by key allies and (depending on whose analysis one accepts) is only partially or marginally effective, can still be answered by the generalized themes that an immediate response was necessary, the United States must lead, etc.

A similar response could be made to the question of whether the blocking of Iran's assets, particularly the overseas assets, was appropriate. For ten days following November 4, 1979, Iran had imperiously refused to take action to obtain the release of U.S. diplomatic personnel being held by an irregular student group and indeed was holding the U.S. chargé d'affaires at its Foreign Ministry. Mobs were chanting and burning the U.S. flag in front of our embassy. U.S. property in Iran had been taken without compensation. Economic spokesmen for Iran had stated that Iran would not honor the "Shah's debts," and on November 13, 1979, its acting Finance Minister Bani-Sadr threatened to withdraw Iran's dollar deposits from U.S. banks and attack the dollar. All this was being carried with great prominence in the world media.

So far as any real threat to the dollar was concerned, there was a surrealistic quality about all this. When Bani-Sadr made his threat, Iran had somewhere between \$1 billion and \$2 billion in deposits available to dump on the market in an "attack" on the dollar. That would not have caused much of a ripple in the \$400-billion Eurodollar market, where daily foreign exchange trading normally exceeds \$100 billion by some margin. Perhaps it could have dumped another \$6 billion as dollar securities were sold and time deposits matured over the next year. U.S. reserves of over \$20 billion were available, plus assured support from other central banks against a renegade. The risk of Iran destabilizing the dollar with that level of resources was not significant.

But in the political heat of the moment the naïve Iranian rhetoric was blandly accepted, and the threat to the dollar was presented to other nations as a major reason for action. Faced with a unique situation in which psychological elements played a large part, it was not difficult to conclude that the President had to do something. The United States could not afford to be seen as

a paper tiger. Since Iran had threatened economic measures against the United States, the necessity of moving fast was readily justified. Acceptable alternatives were in short supply. The decision to block was easily taken.

Fourteen months later, events appeared to have validated the decision. The blocked assets proved a key bargaining chip in obtaining the hostage release. The Iran-Iraq war, the increasing isolation of Iran, a growing need for the blocked assets and the prospect of dealing with a hostile-sounding new Administration combined to force Iran to negotiate. The ensuing settlement not only freed the hostages but also put virtually all U.S. lenders and claimants against Iran in a much more favorable position than they had been prior to the seizure of the hostages.

Even if the blocking was successful in achieving its objectives, however, it is important to assess its costs and its limitations, rather than use it uncritically as a justification for this type of unilateral sanction in a future international crisis. Prior to Iran, U.S. blockings since World War II have proved much easier to impose than to remove and sometimes more an embarrassment than a positive influence on policy.

In 1950 during the Korean War the United States cut off trade with and blocked the assets of North Korea and the People's Republic of China. Since the blocked assets under U.S. control had only a fraction of the value of the U.S. assets seized by the People's Republic, the blocking was classically ineffective, while in time the trade sanctions served only to reinforce the 25-year isolation of the United States from China. These sanctions remained on the books until the claims settlement with the P.R.C. in 1979.

In 1962 after Cuba had nationalized properties of various U.S. nationals in Cuba, U.S. trade with Cuba was cut off, and Cuban assets in the United States were blocked. Since Cuba seized U.S. properties worth at least ten times those blocked by the United States, the U.S. blocking was regarded with amusement by President Castro. The trade sanctions have been quite successful in achieving the isolation of Cuba from the United States. The wisdom of that policy involves judgments about a broad range of policy alternatives toward Latin America, but it is clear that the sanctions have created nasty confrontations with various of our allies, have been economically costly to both Cuba and the United States, and have thus far been ineffective in producing changes in the politics or policies of Cuba.

In 1970 the United States cut off trade with and blocked the

assets of North Vietnam, and after the fall of Saigon and Phnom Penh in 1975, did the same with Vietnam and Cambodia. The principal effect has been to reinforce the isolation of the United States from that area of Southeast Asia.

The only other sanctions that combined blocking and a trade embargo were against Rhodesia during the 1970s when the United States, along with some other nations, implemented the U.N. vote to impose sanctions against Rhodesia. Since South Africa and various other countries did not join in the U.N. action, the sanctions were only marginally effective. In addition, it soon became clear that the embargo on Rhodesian chrome was making the United States dependent on chrome from the U.S.S.R. and, at least in the view of some, hurting the United States more than Rhodesia. That led to a congressional modification of the sanctions through the Byrd Amendment (reversed in 1977), and the sanctions themselves were rescinded when Zimbabwe was established two years ago.

In this list the sanctions against Iran stand out because they were effective and short-lived. This success may lead some observers to conclude that there is more potential in the use of sanctions than the China-Cuba-Vietnam episodes indicate. That is not likely to be the case.

VI

The Iran situation was unique in at least three respects. First, the blocking was keyed to an event (the hostage seizure) that could be quickly resolved, and the blocking itself was therefore destined to have the same resolution. Second, by accident of history a very large amount of Iranian assets was under U.S. control, far larger than the U.S. assets under Iran's control. Third, the principal allies of the United States also had vital interests to protect in Iran. Thus the United States had extraordinary leverage, a condition that did not exist in the China-Cuba-Vietnam situations and is not likely to be repeated.

For at least five years the U.S.S.R. has been careful to owe more to U.S. banks and corporations than the aggregate Soviet deposits and assets under direct U.S. control. That is true of most countries, particularly those that like to posture against the United States. Only Saudi Arabia has a significantly larger amount of deposits under U.S. control than its debts and obligations to the United States. But anyone who believes this gives the United States substantial leverage over the Saudis fails to appreciate that the

Saudis also have massive assets outside of U.S. control and that cessation of Saudi oil sales would seriously affect the U.S. economy well before the Saudis would run out of financial reserves.

It is now important to emphasize again what made the Iranian blocking effective—this was the U.S. decision and ability to block dollar accounts outside the United States. This exercise of extra-territorial power meant the difference between depriving Iran of \$6 billion and \$12 billion. It also demonstrated that the United States has the theoretical capacity to block any dollar account maintained anywhere by a U.S. bank or by a foreign bank. As discussed earlier, virtually all transactions in dollar accounts must clear through a cover account in a bank in New York, and the United States has today the theoretical capacity to block that cover account and clearance in the United States. In the Iran blocking the United States made it clear it was not blocking dollar accounts maintained for Iran by foreign banks, and Iranian transactions in U.S. dollars took place through the cover accounts of foreign banks in New York all during the hostage crisis. That the reach of the U.S. blocking was limited to U.S. banks was simply a recognition of the practical limits of U.S. power.

In practice, as opposed to theory, it would be mechanically difficult, perhaps impossible, to identify which transactions in a foreign bank's cover account actually involved Iranian money. Whereas the United States by various processes can obtain whatever information it needs from U.S. banks, it has no comparable control over foreign banks unless the foreign bank's governing authority cooperates with the United States. Tentative approaches to foreign governments early in the Iran crisis indicated cooperation would not be forthcoming. It is understandable that foreign governments are not enthusiastic over this kind of prospective extension of U.S. power. This lack of enthusiasm is particularly prevalent among central bankers, who traditionally have taken the view that the intrusion of political considerations into the international financial and banking system would ultimately destroy the system—and in this they may well be correct. It is also probable that an extension of power beyond that exercised would have resulted either in a change in the way clearings are handled in the Eurodollar market or in a general shift away from the dollar.

There is no law or economic theorem that requires Eurodollar transactions to clear through New York. That is historically how the system evolved, and it is presently the most efficient way to handle the very large volumes of transactions generated. The

conventional banking wisdom is that a clearing system must be backstopped by the central bank of the country where the clearing system operates. Only the Federal Reserve (the U.S. central bank) can provide enough dollars and influence to guarantee that a dollar clearing system will work in the event of a cataclysm. The Bank of England can produce pounds sterling without effective limit—but not dollars.

Hence, the argument concludes, dollar clearing systems must be located in the United States where the Federal Reserve conducts its business. It is at least debatable that this conventional wisdom stands up today, in a world where at least \$400 billion is resident outside of the United States, where instantaneous electronic transfers significantly alter the terms and the risks of a clearing system, and where laws other than those of the United States may govern significant dollar transactions.

Certainly the human mind is capable of developing ways to effect clearings outside the United States. And if an alternative clearing system proved too expensive or hazardous to set up and if Eurodollar holders grew sufficiently concerned about the present system, they could always move some, or eventually all, of their assets and transactions out of the dollar. Such a movement would probably trigger a significant decline in the exchange value of the dollar and finish the dollar as the world's premier reserve currency. On balance, most observers conclude that the dollar's status as the world's reserve currency has bestowed significant advantage on the United States. The loss of that status would be potentially serious.

A general concern was expressed at the time of the Iranian blocking that even the mere exercise of the power to block—particularly the extraterritorial feature—would cause a deposit and loan movement from U.S. banks and from the dollar generally. The United States took the view that the situation was unique because Iran had been recognized as a unique transgressor, beyond the pale of acceptable international conduct; no respectable nation need worry. As part of the January 20 settlement and concurrent with the hostage release, all exercise by the United States of extraterritorial power was terminated, and foreign bank syndicate lenders were paid off on the same basis as U.S. lenders. The talk subsided, but the lawyers and the bankers have learned the lesson of what the United States can do.

The figures on the disposition by OPEC countries of their 1980 surpluses recently became available, and they do not provide assurance that all is forgotten. OPEC countries continued to invest

heavily in dollar-denominated assets in 1980, but there has been a noticeable decline in the proportion of OPEC assets held in the form of direct claims against U.S. banks and their major foreign branches. In 1979 about \$16.5 billion of the \$40 billion OPEC increase in claims against the international banking system was held with U.S. banks. In 1980 only \$1.1 billion of the corresponding \$44 billion increase was held with U.S. banks. OPEC deposits with U.S. banks were not reduced in 1980, but new dollar deposits were made with foreign—not with U.S.—banks. There are a number of possible reasons for this change in policy by OPEC countries, but among them may well be a reaction to, or fear arising from, the Iranian blocking.

One can only speculate as to whether the prompt action of the United States in terminating the blocking after the hostage release will be reassuring, or whether the use of the blocking sanction will result in a permanent shift of OPEC dollar deposits from U.S. banks. Since deposits are the lifeblood of the banking business and the core of banking relationships, such a shift could be expensive. The loss of the deposits would not cripple U.S. banks. They can buy the OPEC deposits from the foreign banks that receive them, but that will increase the cost to U.S. banks and deprive them of direct contact—and future influence—with important customers. The long-term price, if any, is therefore not yet clear. What is clear is that a future blocking will be evaluated by a more knowledgeable and critical audience.

Similarly it is not clear whether the trade sanctions will in the longer term have an adverse effect on U.S. contractors and manufacturers. The United States already has a reputation as a partner that breaks contracts for political reasons. The Iran experience can only reinforce the trend among some countries to diversify their purchases and contracts, even at some increase in cost, to avoid unnecessary dependence on any one country.

The foreign financial community also worries about another economic weapon that the United States could have used, but did not, in the Iran episode. In addition to blocking the Iranian assets under its control, the United States could also have seized, or vested, those assets, and then used them to pay off Iran's debts to U.S. claimants. For a foreigner with investments in the dollar and in the United States, that kind of action would have been profoundly disquieting. If Iran's assets could be vested, why not those of the nationals of some other country when some new unexpected crisis develops? The only sure protection for a foreigner with that kind of concern is to pull out. Such vesting was urged by some

during the Iranian crisis, but resisted by the Administration because of clearly foreseeable and serious consequences to the dollar, and also because an asset once vested is hard to preserve and return.

VII

In sum, the financial sanctions employed against Iran over the hostage issue were effective because of special circumstances that differentiated the situation sharply from other cases where economic sanctions had historically been attempted. And the freeze of Iranian assets not only created negotiating complications but involved both short- and long-term costs that cannot yet be fully assessed, as well as risks of a major change in banking practice that could seriously affect the status of the dollar as the world's principal reserve currency. Finally, it must again be emphasized that the degree of leverage the sanctions exerted—whatever its exact weight—depended on a high degree of cooperation by other countries.

As one looks at the possible use of financial sanctions in particular, in possible future situations, it is this last factor that stands out. Financial sanctions, such as the Iran blocking, can be effective in special situations, but as with embargoes or more targeted trade controls, their effectiveness in more generalized situations depends on multinational cooperation. If key governments were able to act together, financial sanctions could be designed that would be a good deal more effective in some situations, and easier to administer, than trade sanctions. Most significant trade transactions in the modern world require the use of credit and a payments system. A relatively few countries control that system, and could administer almost any level of controls. But absent a joint program, financial sanctions are not likely to be effective, and run the grave risk of harm to our financial institutions and to the system.

The past policies of the United States have significantly limited its future options to use economic sanctions generally. There is, for instance, little the United States can do unilaterally that would visit economic punishment on the U.S.S.R. Those options were used up decades ago. The large volume of U.S. lending in the last 20 years to both friendly and potentially hostile countries almost ensures that unilateral sanctions will be very costly to the United States and with results much more likely to parallel those obtained against China and Cuba than the impact on Iran. Special situations may arise from time to time, but it is quite unlikely that the United States will benefit from a repetition of the factors that

made the Iran blocking a success.

I conclude that, when the next international emergency arises, U.S. policymakers should exhaust every possible avenue of multilateral cooperation before considering unilateral sanctions—and should be prepared to accept even substantial modification of what the United States itself might deem desirable in order to achieve a united front with other major industrialized countries (and with key regional nations if necessary). Only if such efforts fail or are clearly inadequate should the United States consider moving to unilateral economic sanctions—and before actually deciding to do so it will be important to take the time to assess the costs to the United States of any proposed actions involving such sanctions.

The United States can no longer afford the luxury or cost of leadership when our allies do not follow. The spectacle of the United States saying publicly what it will do if others join, but only if they join, is an option thus far largely avoided. No one likes to be tough with a friend, but friendship does not prosper in an atmosphere of inequality. A unilateral blocking that weakens the dollar or causes billions of dollars of losses for U.S. banks and other U.S. creditors may make a vivid ideological point, but the costs should be evaluated in advance.

Andrew J. Pierre

ARMS SALES: THE NEW DIPLOMACY

The recent heated debate over the sale of Airborne Warning and Control System (AWACS) planes and F-15 fighter components to Saudi Arabia was only one of a number of controversies involving U.S. arms sales. The next weapons transfer which will meet congressional resistance is that of F-16 fighters to Pakistan, a sale which some believe will give a renewed impetus to the arms race on the subcontinent and undermine nonproliferation efforts. Serious questions are also being raised about the wisdom of the planned sale of F-16s to Venezuela, thereby crossing a technological threshold which in the past has restrained the transfer of the most advanced fighter aircraft to Latin America. Proposed new arms supply relationships with Argentina, Chile and Guatemala will draw the ire of those who are concerned about the dropping of past restrictions based upon these countries' human rights records. The Reagan Administration is faced with a tough decision regarding the sale of the FX fighter to Taiwan. Beijing has put Washington on notice that it considers the proposed sale as a "litmus test" of future Sino-American relations. But the same type of symbolism is attached to the sale by Taipei, which would view the failure to sell as a sign of abandonment.

Nor is it only the United States that is bedeviled by controversial arms sales decisions. Chancellor Helmut Schmidt of West Germany was forced to draw back from the sale of Leopard II tanks to Saudi Arabia earlier this year because of strong objections within his Social Democratic Party. French President François Mitterrand's decision to honor past commitments to Libya has raised objections. And even in Austria, a minor supplier of weapons, a sharp domestic debate has been unleashed by the sale of 57 light tanks to Argentina.

Arms sales have become, more than ever before, a crucial dimension of world politics. They are now major strands in the warp and woof of international affairs. Arms sales are far more than an economic occurrence, a military relationship, or an arms

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control challenge—*arms sales are foreign policy writ large.*

II

A number of trends combine to give arms sales greater saliency. The first is the sheer increase in the quantity of weapons being supplied. Arms transfers worldwide have more than doubled in the past decade, from \$9.4 billion in 1969 to over \$20 billion in 1980 (in constant 1977 dollars). The United States has been the largest supplier during this period and has seen its foreign military *sales* (as distinct from arms *delivered*, and measured so as to include items such as training and logistical assistance) rise from \$1.1 billion in 1970 to approximately \$16 billion today (in current dollars).¹ The Soviet Union has also sharply increased its arms transfers and by some measurements has begun to overtake the United States. The level of French and British arms sales has quadrupled since 1970 and a number of smaller suppliers have significantly increased their sales.

A second trend is the qualitative upgrading of arms sales. Prior to the 1970s, most arms supplied (especially to the developing countries) were the surplus and obsolete weapons of the major powers, which they wanted to eliminate from their inventories (often as military assistance grants) so as to make room for new, more advanced equipment. Even in the early 1960s the aircraft transferred to the developing world more often than not were ten-year-old American F-86 and Soviet MiG-17 fighters rather than the first-line planes of the period such as F-4s and MiG-21s. In contrast, today some of the arms being transferred, such as F-15s, MiG-23s and AWACS, are among the most sophisticated in the inventories of the supplier states.

A noteworthy aspect of the qualitative improvement has been the spread of sophisticated weaponry through co-production agreements. These enable countries to acquire through licensing arrangements the knowledge to manufacture or to assemble a weapons system. More than two dozen developing countries now participate in such arrangements with outside suppliers.

A third trend is in the changed direction of the arms flows.

¹ This does not include the recent \$8.5 billion sale to Saudi Arabia. Most of the arms sales data in this article are drawn from U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers*; U.S. Department of Defense, *Foreign Military Sales and Military Assistance Facts*; Central Intelligence Agency, *Communist Aid to Less Developed Countries of the Free World*; International Institute for Strategic Studies, *The Military Balance*; and Stockholm International Peace Research Institute, *Yearbook of World Armaments and Disarmament*. Each of these is published annually. Due to variations in methodology, however, comparisons among these are difficult and may be misleading.

Until the mid-1960s most weapons went to developed countries, usually the NATO allies of the United States or the Warsaw Pact allies of the Soviet Union. It was not until the war in Southeast Asia in the second half of the decade that the dominant portion went to the developing world. Nor was the trend reversed at the end of the Vietnam War. During the late 1970s the Persian Gulf and Middle East countries received by far the largest portion of arms, with a fourfold rise in the value of arms imports (in constant dollars) during the decade. Iran, Saudi Arabia and Israel were the major recipients of Western arms, while most Soviet weapons were shipped to Syria, Iraq, Libya, and, a little earlier, Egypt. Indeed, by 1980 this region was receiving 50 percent of all weapons shipped to the Third World. This has led some observers to conclude that the arms sales "problem" is solely a Middle East problem—but this is far too simplistic an analysis. Arms sales to Africa increased 20-fold from 1969 to 1978 and to Latin America tripled (again, in constant dollars). Although the totality of these sales was small compared to the Middle East figure, these increases were important in the context of the respective regions. Over three-quarters of the global arms trade now goes to the Third World.

A fourth trend is the establishment of indigenous armament industries within the Third World. Twenty-four developing countries now produce weapons of some type. This, too, is a recent change; two decades ago hardly any of these nations manufactured arms locally. The prime incentives for the creation of these national industries have been political or security concerns rather than commercial ones, as sometimes averred. Nations have been motivated by the desire to reduce their dependence upon outside suppliers in order to bolster their national security. But once the industry is created, exports are seen as a way of reducing unit costs, offsetting research and development expenses, and providing trade benefits. Among the states which have sought to augment their self-sufficiency because of the perceived unreliability of outside suppliers have been Israel, South Africa, Taiwan, South Korea and India. Others have been motivated less by perceptions of a threat to their security than by broad political considerations relating to their status within their region: Argentina, Brazil, Venezuela and Indonesia.

While arms production in the Third World is certain to continue expanding at a steady rate, its impact upon the global arms trade is likely to remain marginal. Four states accounted for 87.5 percent of the value of major weapons transferred to the developing world

during the decade of the 1970s: the United States (45 percent), the Soviet Union (27.5 percent), France (10 percent) and Britain (5 percent). When West Germany, Canada, Italy, the Netherlands, and Czechoslovakia are added in, the figure goes up to 94.3 percent. The new Third World suppliers are mainly producing second-echelon weapons and do not have the technological base to compete with the principal suppliers. No Third World country has yet become the principal supplier of a developing country.

III

These trends in the transfer of arms must be viewed as an integral part of the broader transformations in the international system. As is well recognized, the world is undergoing a diffusion of power, political and economic, from the industrialized states to the developing nations. There is an important military component to that diffusion as well. The acquisition of conventional arms, often sophisticated and in far larger quantities than the recipient states have previously possessed, is a critical element of that diffusion. Arms are a major contributing factor to the emergence of regional powers such as Israel, Brazil and South Africa; their purchase can make a deep impact upon regional balances and local stability.

Arms sales, moreover, have become a key instrument of diplomacy for the weapons suppliers, in some cases the best one available to them. There has been a decline in the traditional instruments of reassurance and diplomacy, such as formal alliances, the stationing of forces abroad, and the threat of direct intervention. At a time when the major powers are less likely to intervene with their own armed forces, they are more prone to shore up friendly states through the provision of arms or to play out their own competition through the arming of their proxies. A contributing factor has been the reduction of other instruments of diplomacy, such as developmental aid. Both the United States and the Soviet Union now give less in economic than in military assistance. Even ideology ("Free World" versus Communism) no longer has the cementing influence that it once had.

Arms sales must also be seen in the context of North-South issues. They constitute a redistribution of power whose significance in certain cases may be equal to or greater than that of some of the better-recognized economic forms. Certainly the withholding or granting of arms can have a great political and psychological impact upon Third World leaders. Then, too, arms sales can be a method of technology transfer; an increasing number of states

do not want the weapons fresh out of the crates but rather the technology that will enable them to build, or co-produce, at home.

Finally, arms sales have become, and surely will remain, a crucial aspect of the continuing East-West competition in the Third World. Indeed, they are now the prime instrument used by the Soviet Union, and an important one for the United States, in the rivalry for the allegiance of much of the world. The capability of the Soviet Union to project its military presence to distant places expanded greatly during the 1970s, and Moscow shows no reluctance to use arms transfers to support its political aims. The energy vulnerability of the West has made the security of the Persian Gulf and the stability of the Middle East matters of the highest importance; arms sales have become an important means used by the West to safeguard these interests, quite apart from the economic benefits to be gained from sales to the oil-rich countries.

IV

The greater prominence of arms sales today has not been matched by new insights as to their utility. Judgments about arms sales are often extremely difficult to reach, as the recent debate on the AWACS sale demonstrated. This is due, in part, to the lack of norms about the requirements of international security. In dealing with the spread of nuclear weapons, most observers agree about the goal of preventing nuclear proliferation, and the disagreements, important as they are, are about tactics for achieving this. No similar principle is applicable to the spread of conventional arms.

A particular sale may be destabilizing or it may restore a balance. It may promote an arms race in a region, or it may help deter a potential conflict. Moreover, what is true in the short run may not be valid for the longer term. Who is to say how a weapon transferred now could be employed in ten years' time (e.g., U.S. weapons given to South Vietnam)? And who can vouchsafe that the future political leadership of a country will be as "responsible" about the use of weapons in the future as it is at present (e.g., the Shah)? Or that the alliances and foreign policy alignments of today—upon which the prospective supplier must base his decision—will be the same tomorrow (e.g., Somalia and Ethiopia)?

Arms sales decisions are thus fraught with policy dilemmas. Even when a supplier country has adopted general policy guidelines, each weapons transfer decision must be made individually, and often it will involve complex judgments and trade-offs. Short-

term benefits should be weighed against longer term risks. Economic advantages may have to be balanced against potential political disadvantages. One important foreign policy goal, such as strengthening an alliance relationship or a nation's capacity for self-defense, may run counter to another goal, such as promoting human rights (e.g., South Korea). Assisting one nation (e.g., China) could cause a deterioration of relations with another (e.g., the Soviet Union). Or, yet again, such indirect pressure may moderate the other's behavior. Providing substantial amounts of conventional arms may or may not reduce incentives for the acquisition of nuclear weapons (e.g., Pakistan). As the debates in recent years on a large number of arms sales show, one can almost take for granted that every decision will involve competing objectives.

v

Let us now look at the arms sales policies and practices of the Soviet Union, France (the largest West European supplier) and the United States before turning to the vexing question of how to develop some type of international restraints. As it happens, the American share of the world arms market is decreasing, while the Soviet and West European portions continue to grow.

For the *Soviet Union* arms have long been the primary instrument for dealing with the Third World, essentially because of the paucity of alternatives. The Soviet economic and political model has few attractions for the developing nations; Moscow has comparatively little to offer in the way of trade, investment, and the transfer of technology; its development assistance has been kept low; and the Soviet Union's ideology and culture only appeals to a very limited group of countries. Weapons, on the other hand, can be provided cheaply and abundantly.

Long the second largest supplier of arms, the Soviet Union's transfers have begun to rival those of the United States. Between 1977 and 1980 the Soviet Union sent to the Third World 5,750 tanks and self-propelled guns in comparison with America's 3,030; 11,400 surface-to-air missiles in comparison with 4,960; and 1,780 supersonic combat aircraft in comparison with America's 510. Total arms deliveries have risen sharply in recent years and it is not impossible that Moscow will achieve the dubious distinction of becoming "Number One" during the 1980s.

Along with Soviet arms come a disproportionately large number of advisers and technicians, raising suspicions that many are sent for intelligence-gathering purposes. The Central Intelligence

Agency estimates that 15,865 military advisers from the U.S.S.R. and East European countries were stationed in the Third World in 1979, ostensibly to assemble and maintain Soviet arms as well as to train the forces of the host country in their operation. They were to be found in large numbers in Syria (2,480), Libya (1,820), Iraq (1,065), Ethiopia (1,250) and Angola (1,400). Large quantities of surplus weapons are available for quick delivery. The Soviet military industry routinely overproduces with potential exports in mind; these provide a greater reservoir of arms than is available in the West and make it less likely that the equipment of its own armed forces will be drawn upon.

Moreover, during the past decade the Soviet Union greatly improved its capacity to transport weapons over great distances, by developing the IL-76 long-range cargo aircraft and by expanding its maritime fleet with roll-on, roll-off ships which do not require extensive port facilities. This new logistical capability was amply demonstrated by the impressive ferrying of arms and Cubans to Angola and Ethiopia. By Central Intelligence Agency estimates the average time lapse between sale and delivery of Soviet arms abroad, both old and new, is half that of the United States.

Moscow's arms sales have been carefully calibrated to serve its political purposes. Arms have been supplied to national liberation movements to demonstrate solidarity and foster ideological affinity, as well as to Marxist regimes and to other countries whose favor the Soviets have wanted to court or whose political leanings they have wanted to influence. Arms have been supplied to Castro in exchange for his support for Soviet aims in Africa and Central America. Middle East countries received over half of the Soviet arms sent to the Third World in the past five years, and the U.S.S.R. became the largest supplier to sub-Saharan Africa.

For a long time arms were delivered either free or at low cost with very favorable conditions, including long-term credits of eight to 12 years, and minimal interest rates of 2.5 percent often repayable in soft, local currency which was then used for the purchase of goods from the weapons-receiving country. In recent years, however, arms sales have become an important earner of scarce hard currency, as weapons have been sold to oil-rich countries such as Iraq, Libya and Algeria, thereby greatly assisting Moscow's trade balance. Thus, lucrative arms sales to the Third World are now helping Moscow finance its purchases of Western technology and food. Nevertheless, the Soviet Union remains prepared to make an economically less attractive deal if it suits its

political purposes. For example, the terms of the \$1.6-billion sale to India in 1980 are extremely generous, providing for repayment over 17 years at only 2.5 percent interest.

For the Soviet Union the Third World is the main battleground in the ideological competition with the West. We can expect that it will continue to rely on arms sales, and quite possibly expand upon their use, to win friends and gain advantage: Soviet military assistance has long been applied opportunistically, taking advantage of instabilities created by regional conflict or international crisis.

Yet it is far from clear that the arms transfer instrument here will be any more successful in the future than it has been in the past. The record, in fact, is strewn more with failures than successes. Arms to Indonesia did not inhibit Sukarno from adopting a pro-Chinese foreign policy and after the abortive 1965 coup from ousting the Soviets from the country. Weapons for Peru have done nothing to enhance Moscow's position on the South American continent as a whole. The Congo, Ghana, Guinea and other parts of sub-Saharan Africa have witnessed a long string of Soviet failures to establish a permanent presence. The Russian navy was summarily forced out of Berbera, the Soviet Union's largest overseas naval base. Arms supplied to Syria and Iraq have not made them fully pliable to Moscow's political wishes. Damascus has refused to give the Soviets as many military facilities as it seeks, and Baghdad condemned the invasion of Afghanistan.

The most striking failure has been in Egypt, where the Soviets penetrated the Egyptian military as they did in no other country. Egypt's armed forces were reorganized in Soviet style, and at the peak there were 17,000 Russian military personnel in place, some actually manning air defense sites and flying on patrols. Yet this did not prevent Sadat—after, it should be noted, consistent disputes with the Soviets regarding the adequacy of their arms deliveries—from breaking ties with Moscow and sending the Soviets home. In sum, the Soviet experience confirms that the provision of arms often does not readily translate into lasting influence.

VI

France ranks as the third largest supplier of conventional arms to the Third World. Approximately 40 percent of its national arms production is now sold abroad. The growth in arms *sales* during the 1970s has been dramatic, from 6,341 million francs in

1970 to 25,200 million in 1980; during the same period arms *deliveries* increased fivefold. Indeed, the export of arms has grown twice as rapidly as the nation's total exports.

This is often attributed to a laissez-faire arms sales policy under which the French government has been willing to sell almost any weapon to anybody; and on occasion French ministers have spoken of a policy of selling weapons "without political conditions." Economic considerations play an important role in motivating arms sales. There are more than 300,000 persons employed in the arms industry, not to mention the spinoff effects through sub-contracting and the provision of services. If ever there was a nation with a strong military-industrial complex, it is France. The state is an aggressive purveyor of French arms abroad. Moreover, the arms-for-oil connection, although never officially acknowledged, is quite direct. More than 80 percent of the nation's oil imports come from the Middle East, with Saudi Arabia and Iraq as the largest suppliers. These are precisely the two countries with which Paris has signed the largest arms contracts since 1974.

But the fundamental impetus behind French arms sales has been at least as much political as economic. The nation's political leadership, across the party spectrum, remains strongly attached to a concept of national independence which in turn is based upon an autonomous defense policy. This is perceived as important not only for French security but for the projection of the nation's influence in Europe and the world. And a national armaments industry is viewed as an essential characteristic of an autonomous defense capacity. To the maximum extent feasible, it is argued, France must have the capability of equipping its own armed forces without depending upon an uncertain source of supply from abroad. In order to maintain this ability to arm itself, France must export weapons, as the demand at home is not enough to justify the arms industry in economic terms.

Such aims, however, may in time create their own problems. The arms industry as a whole has become dangerously over-dependent upon exports. As much as 75 percent of the aeronautical industries' products are sold abroad; of the 338 Mirage fighters that were ordered in 1974-78, for example, 297 were for overseas buyers, and the proportions are roughly the same for many other weapons systems. Should the overseas markets become saturated, or the competition from the other suppliers increase, France's highly successful arms industry could suddenly go into a serious tailspin.

While in opposition, the Socialist Party was highly critical of

French arms sales practice, insisting that sales to “colonialist, racist, or fascist” regimes should be stopped. François Mitterrand proposed in 1978 a series of measures intended to create some parliamentary control over arms sales at home and encourage regional conferences of recipients and supplier nations in order to set regional ceilings on transfers. He also called for a reorientation of French arms sales from the developing countries to Western Europe.

Since his election such lofty goals have been abandoned; indeed one already heard less of them in recent years. One of the first decisions made was to honor all existing arms contracts. Within days of Mitterrand’s election, before even the elections to the *Assemblée Nationale*, the new President sent his brother, retired Air Force General Jacques Mitterrand, now the head of *Aérospatiale*, to Saudi Arabia for the purpose of assuring King Khalid that arms contracts valued at over four billion dollars would not be touched.

But the Mitterrand government is likely to pay more attention than Giscard d’Estaing did to human rights considerations when making arms sales, having promised to “moralize” them. Clearly it will not sell anything of military application to South Africa—up to the mid-1970s a major recipient of French arms and a *bête noire* of the French Left. Sales to countries such as Chile and Argentina will be more carefully scrutinized, and for the moment there is a ban on any new sales to Libya because of its role in Chad. Elsewhere, however, sales will continue and in black Africa could well be increased. Ironically, the nationalization of that part of the arms industry which remains in private hands (*Dassault*, *Thomson* and *Matra*) could force the Socialist government to undertake an even greater role in its long-term support.

VII

It is in the *United States*, however, that the arms trade phenomenon has received the most attention. In the past decade the nation’s policy and practice on weapons sales has become a domestic political and foreign policy issue; Congress has imposed legislative controls, most notably through the International Security Assistance and Arms Export Control Act of 1976; the Carter Administration sought to “reform” U.S. arms sales through a set of specific guidelines, and it undertook discussions with the Soviet Union regarding international restraints.

Long the world’s largest supplier of arms, during the period 1950–80 the United States transferred abroad over \$120 billion in

arms and related military services, more than half of the world's total. Under the Reagan Administration, with its strong emphasis on arms sales as an instrument of diplomacy, and its tendency to sell weapons permissively, arms sales are likely to continue to grow and become still more controversial.

In retrospect, the Carter Administration's handling of arms sales is easy to criticize. Certainly the reality did not match the overblown and moralistic rhetoric, and arms sales were never relegated to the status of being an "exceptional" instrument of foreign policy as promised in the Administration's early days. The policy guidelines—e.g., that the United States would not be the first supplier to introduce into a region newly developed, advanced weapons systems that would create a new or significantly higher combat capability; that it would not permit development or modification of advanced weapons systems solely for export; that it would not permit co-production agreements with other countries, etc.—were frequently not observed. The annual dollar ceilings on new arms sales, under which there was to be a progressive reduction each year, were so artfully circumvented (by excluding treaty allies, and exports classified as "commercial" arms sales or military services) that while the ceilings were formally respected and sales were theoretically reduced, in reality total arms sales increased. And the Conventional Arms Transfer talks with the Soviet Union collapsed more because of internal feuding within the Administration and a lack of clarity as to aims than because of substantive disagreement with the Soviet Union at the negotiating table.

Nevertheless, the Carter policy forced arms sales to be measured more carefully against overall foreign policy and national security considerations than had been the case in the Nixon-Kissinger years. The Arms Export Control Board introduced a new discipline into the decision-making process in Washington. In theory, at least, the burden of persuasion was shifted from the opponents of a sale to the proponents, thereby adding requirements for analysis and long-range planning. The specific guidelines, although applied with much flexibility and frequent exceptions—how could it really be any different?—did provide a way of justifying turndowns when friendly governments requested arms which the Administration concluded should not be transferred. Altogether, 614 requests from 92 countries totaling more than one billion dollars were turned down in the first 15 months of the Administration. (After the invasion of Afghanistan, as the Administration's foreign policy assumptions changed, arms were sold

more freely.) In addition, human rights considerations were given a new prominence in the making of arms sales decisions, although here too there was flexibility—while sales to authoritarian Latin American regimes were barred, they were continued to South Korea and other nations where the United States has more direct security interests.

The Reagan Administration in its first nine months has sought to accentuate the difference in its approach toward arms sales. Addressing the Aerospace Industries Association, Under Secretary of State for Security Assistance, Science and Technology James L. Buckley observed that the Carter Administration had adopted policies on the sale of arms that “substituted theology for a healthy sense of self-preservation.” The Reagan Administration would view arms sales as an essential element of the U.S. global defense posture; it would “face up to the realities of Soviet aggrandizement,” as it pursued a sober, balanced and responsible arms transfer policy, essential for the protection of U.S. interests. The Administration’s arms transfer policy statement, issued in July, contrasted sharply with Carter’s of four years earlier. “We will deal with the world as it is,” the policy statement concluded, “rather than as we would like it to be.” Clearly the policy emphasis is no longer on restraints on arms sales and on the dangers posed by conflict within the Third World but rather on employing arms sales to respond to the Soviet global challenge.

The new direction involves more than just tone and emphasis. Carter’s specific guidelines prohibiting certain types of sales have been replaced by a list of broad-gauged considerations in making arms transfers which stress the contributions they can make to “enhanced deterrence and defense.” The annual ceiling on the total value of arms sales has been dropped, wisely, as it had become meaningless. No reference whatsoever is made to human rights as a factor in arms sales decision-making. In addition, a number of steps have been taken: (1) the Administration early on rescinded the “leprosy letter,” a Carter directive which discouraged American representatives abroad from initiating discussions on, or stimulating interest in, the purchase of U.S. weapons by foreign governments unless authorized by Washington, and even from assisting American businessmen to do the same; (2) Congress was asked to increase security assistance, through which some arms sales are financed, by 30 percent (while funds for development assistance were to be reduced by 26 percent); (3) Congress was also asked for \$350 million to create a Special Defense Acquisition Fund which would be used to purchase in advance

some arms which countries were likely to request but which due to long manufacturing lead times would not be available without considerable delay once a sale was approved—a sort of “arms-for-sale” inventory; (4) the Administration sought to raise the dollar thresholds at which proposed military sales must be reported to the Congress from \$7 million to \$14 million in weapons and \$25 million to \$50 million in other defense articles and services.

President Reagan has also sought to enhance his flexibility in using arms sales as a political instrument by repealing some legislative restrictions which had been enacted during the past decade. The Administration asked that a ban on arms sales to Argentina, due to its human rights record, be lifted because of Argentina’s strategic location along vital lines of communication in the southern Atlantic as well as its natural resources. Similar action was sought with respect to Chile. The Administration also urged the repeal of the Clark Amendment which prohibited military assistance to factions in Angola, because it was restricting policy options, although some members of Congress argued strongly that its repeal would adversely affect efforts to negotiate an end to the conflict in Namibia and alienate some black African countries. And, with Pakistan in mind, Congress was also asked to amend the Symington Amendment so that military assistance might be provided to that country despite its ongoing nuclear program which could lead to a weapons capability. (Most of these restrictions are presently being lifted, albeit with legislative reservations.)

A cornucopia of arms sales has marked the first nine months of the Reagan Administration. In the largest arms deal in history, the United States sold to Saudi Arabia not only the five AWACS aircraft but also 1,177 advanced Sidewinder air-to-air missiles, six K-135 aerial refueling aircraft and conformal fuel tanks to enhance the range of the 60 F-15 fighters sold in 1978—for a total value of \$8.5 billion. Israel was promised additional F-15 fighters and was told that past restrictions on the export of its Kfir fighter, containing an American engine, would be dropped. Jordan was sold Cobra helicopters armed with anti-tank missiles. Morocco was told that it would receive 108 M-60 tanks (the Carter Administration had insisted that Rabat “qualify” for such arms by making moves toward resolving conflict with the Polisario guerrillas in the Western Sahara). Arms transfers to Egypt were accelerated after the death of Sadat. Pakistan was promised F-16 fighters and sophisticated radar equipment as part of a \$3.2 billion package of military credits and economic aid over six years. The

F-16 was also offered to Venezuela and South Korea (the latter was in the works at the end of the previous Administration).

With perhaps more fanfare than was warranted, restrictions on the sale of "lethal weapons" to the People's Republic of China were removed. El Salvador was sent military aid and advisers. Arms were sent to Guatemala for the first time since 1977, and the Administration discussed sending military assistance to Argentina and Chile. In addition, the transfer of arms to Somalia, Sudan, Tunisia, Turkey and the anti-Marxist element in Angola were either approved or sought from the Congress.

After the vote on the AWACS, the most contentious of these may be the sale of 40 F-16s to Pakistan. With Soviet troops in neighboring Afghanistan, the Reagan Administration, like its predecessor, seeks to buttress Islamabad through economic and military aid. It is willing, however, to go considerably further than Jimmy Carter (his \$400-million offer, it will be recalled, was rejected by General Zia ul-Haq as "peanuts"), with a larger military program and more advanced weapons intended to strengthen Pakistani resistance along its northwestern frontier. But many of these weapons could also be used against the traditional enemy, India, and Prime Minister Indira Gandhi has been outspoken in her objections to the F-16s in particular. There is much to be said for providing in their place the new shorter range FX, as suggested by the U.S. Air Force, which has seen it as adequate for Islamabad's purpose. The end result of providing the F-16s is likely to push New Delhi into buying French Mirage 2000s or MiG-25s, in addition to the Soviet MiG-23s it is already receiving, thereby notching up a regional arms race which these two poor countries can ill afford. The underlying policy challenge is how to satisfy Islamabad's legitimate defense requirements without supplying arms that could be used to undermine India's security. (India, it should be noted, will retain the military advantage in any case.)

Another sale which should be subjected to close scrutiny is that of 16 to 24 of the F-16s to Venezuela. Such a sale would set an important and unfortunate precedent in all of Latin America. Up to now none of the supplier countries has sold its most advanced supersonic fighters to nations in the southern hemisphere. Caracas' request has been viewed sympathetically because the country is stable and democratic (unlike Pakistan!), and the government of Luis Herrera Campíns has supported U.S. policy in Central America and the Caribbean, including the Reagan Administration's approach to El Salvador. In addition, the United States imports about four percent of its crude oil from Venezuela.

Nonetheless, Venezuela has no serious security problem which justifies the F-16. Testifying before the Senate Foreign Relations Committee, Under Secretary of State Buckley cited the threat to Venezuela emanating from Cuba. Surely this is a highly questionable justification. Selling the F-16 to Venezuela would break the tacit threshold on sophisticated jet fighters to Latin America and would be a matter of real concern to neighboring Colombia. It would, moreover, make it more difficult to turn down other nations which requested the F-16 without a legitimate security need for it. If Venezuela is to receive it, why not Argentina, Brazil, Chile, Peru or Mexico?

Indeed, what may now be at stake is the whole notion of the FX export fighter as one specifically designed to meet the future needs of Third World countries without transferring top-of-the-line F-15s, -16s, and -18s. For two decades the standard fighter sold by the United States abroad has been the Northrop F-5, a good and relatively inexpensive fighter of limited capabilities. More than 1200 of these aircraft have been sold to 27 countries. Recognizing that a number of Third World nations would want to replace their F-5s (Taiwan has been the case in point), but not wanting to make available the most advanced aircraft, the Carter Administration decided to permit the development of an intermediate performance fighter (thereby breaking its no-arms-for-export-only guideline).² In theory, the FX would be the ideal plane for Third World countries that require middle-level aircraft that are still less expensive than the first-line ones, easier to maintain, and of more limited range, thus preventing the exacerbation of some regional arms rivalries.

Thus far, the only country outside NATO that has the F-16 is Israel, and its sale has been approved for Egypt and South Korea. If, however, Pakistan, with its grave financial difficulties, and Venezuela, without real military requirements, are able to obtain the high-performance F-16, then this will undermine the viability of the concept of the FX export fighter and could well launch a race for acquiring F-16s.

Finally, another difficult issue today is the conundrum involving arms sales to China and Taiwan. Even though Taiwan's air force is well equipped with 200 F-5s and other aircraft, it has been seeking a more advanced fighter. The Carter Administration turned down its request for F-4s on the ground that the fighter's 1,000-mile range would be provocative to China. Now Taiwan is

² Two models of the FX are in competition, the General Dynamics F-16/79 (a scaled-down version of the F-16) and the Northrop F-5G (a major improvement on other F-5s).

lobbying hard for the still more advanced FX. Yet there is no persuasive military rationale for providing the FX: it is not necessary for the defense of the Taiwan straits, would be superior to anything China possesses, and tensions in the Taiwan region are low. The Nationalist leadership, however, sees it as an important symbolic test of America's fidelity to its old ally and this strikes a receptive chord in the Reagan White House.

Beijing, on the other hand, has made it clear that it would find the sale of the FX totally unacceptable. It would prefer to forgo any purchase of American arms rather than accept this sale and has even indicated that it might downgrade its official relations with Washington if the transfer is made. (This was done to the Netherlands after it sold submarines to Taiwan.) For the Reagan Administration, which is eager to follow up on Secretary Haig's June trip by selling to China some "lethal" but "defensive" arms, such as TOW anti-tank missiles, the choice is painful. The truth is that American arms have been flowing to Taiwan abundantly since the year's grace period after the normalization with Beijing, and will continue to do so. A \$500-million package is planned for this year without the FX. Even for symbolic purposes, that should be sufficient.

The Reagan approach to arms sales is downplaying two considerations which in recent years have served to restrain the transfer of weapons. One is human rights. This is most evident in Latin America, where the emphasis is now on hemispheric security and the competition for influence with the Soviet Union—and especially the perceived threat from Cuban- and Soviet-supported subversive activities in Central America—rather than economic development or human rights.

The second change has involved nuclear nonproliferation concerns, notably in the case of Pakistan. There can no longer be much doubt that Pakistan is making great efforts to become a nuclear power, and seeks to acquire a nuclear explosive capability. Selling large quantities of arms to Pakistan without a firm commitment that it will forego the actual development of atomic weapons cannot help but reduce whatever leverage the United States has over Islamabad on this very sensitive and important question. It may also induce New Delhi to renew its own military nuclear program and recommence explosions. This is a tough policy dilemma on which there may be no good choice. But to argue, as has the Administration, that selling large quantities of conventional arms to Pakistan would take care of its security needs, thus blunting the quest for nuclear arms, is self-deceiving.

Indeed, the real danger is that the Pakistanis might interpret it as a tacit acceptance of their developing the bomb.

Arms sales now have a central role in American diplomacy. They are an important dimension of the peacemaking and stabilization process in the Middle East. They are a major component of America's approach toward competition with the Soviet Union on a global basis, perhaps *the* major instrument for action overseas short of the direct use of U.S. armed forces. The risk is that we may overvalue this instrument. Nations pursue their interests. Their friendship or foreign policies cannot long be "bought" with weapons. Today's ally may be tomorrow's enemy—witness the American experience in Iran and the Soviet Union's in Egypt. Under the Carter Administration, arms sales policy was inconsistent and perhaps overly restrictive. In the Reagan Administration it runs the risk of being overly permissive.

VIII

Clearly, the need for some international restraints on the transfer of arms is greater than ever. Unfortunately, this is not an auspicious time for new initiatives in this regard, given the marked deterioration in Soviet-American relations and the current European-American difficulties. Any specific proposals for early action would have a distinct air of unreality.

Nonetheless, it is not too early to think constructively about the problem. That the Third World is likely to be an increasingly unstable environment in the coming decades, with a propensity for conflict, is by now a widely accepted judgment. Yet we have not even begun to sort out "rules of the game" to maintain a lid on the competition between the Soviet Union and the West in the Third World. Restraints on the competitive transfer of arms should be an important component of such an undertaking. Nor is there a system for regular consultations between the United States and its European allies on arms sales to the developing world. This global problem is not discussed in NATO because it is thought to be outside of its charter. Yet uncoordinated Western arms sales, without an accepted "code of conduct," can undermine regional balances and may also conflict with the diplomacy of other Western nations in such a way as to prevent a political evolution desired by all of them.

A brief examination of the Conventional Arms Transfer (CAT) talks with the Soviet Union is in order.³ The Carter Administra-

³ For a more complete account see my *The Global Politics of Arms Sales*, Princeton: Princeton University Press, forthcoming 1982, pp. 285-91.

tion, shortly after coming into office, broached the subject of cooperative restraints on arms sales with the European allies. Responses ranged from expressions of interest and support to skepticism. A consistent theme in the European responses was the need to involve the Soviet Union at the first stage. Thereupon the Administration focused all its energy on Moscow and the Europeans were let off the hook, indefinitely.

Four rounds of negotiations were held between the United States and the Soviet Union from December 1977 to the collapse of the CAT talks in Mexico City just one year later. To the surprise of many, the discussions proceeded quite smoothly. By the end of round three it was agreed that restraints might be both regionally oriented and global, and that restrictions might be "military-technical" on certain types of weapons or "political-legal" in nature. These, it was thought, could lead to "harmonized guidelines" on restraints.

At the next round, the United States proposed to discuss transfers to Latin America and sub-Saharan Africa, but the delegation was instructed at the last minute to refuse to even listen to any discussion of the Soviet-proposed regions of West Asia and East Asia, the former including Iran and the latter China and South Korea. A deep split had developed between the American negotiators, headed by Leslie Gelb of the Department of State, and the White House. The latter was no doubt influenced by the pending normalization of relations with China and the unstable situation in Iran.

But the split also reflected the conflicting conceptions within the Carter Administration regarding policy toward the Soviet Union, especially with respect to the East-West competition in the Third World. If the Europeans had been involved in the negotiations it would have given the resulting Western position, based on alliance consultations, greater ballast, thereby making it less vulnerable to Washington's internal struggles.

Any future attempt to develop cooperative, multilateral regulation of arms sales should be undertaken in the following manner:

First, priority should be placed upon arrangements between the West European suppliers and the United States rather than the negotiation of Soviet-American accords. The latter is a long-term aim, which will remain difficult to achieve because of the basic East-West political and ideological competition in the Third World. On the other hand, there already is a pressing need for greater cooperation within the West on policies in dealing with Third World instabilities. In the Middle East and Persian Gulf,

for example, a coordinated approach on arms sales could become an important component of an overall, more unified foreign policy toward the area. The present pattern of competitive, uncoordinated sales to a country or region can be contrary to Western political interests. There is too much truth to the statement: "If we don't sell, someone else will."

An initial step would be for the principal Western arms suppliers to undertake foreign policy consultations on political and security developments within regions and specific countries. Little of this takes place today on a systematic basis, that is to say short of significant crises, because the institutional base does not exist in NATO or elsewhere. Although important differences in assessments, interests, and the preferred policies to be followed would surely emerge, such consultations would on the whole be beneficial and would also provide a forum for discussing prospective arms transfer decisions.

A next step might be to adopt a "market-sharing" approach toward Western sales to the Third World. This could be organized along geographical lines, by segments of military technology, or by some combination of the two. France, for example, might take the lead in arms sales to black Africa and the United States to Latin America. Or Britain might specialize in naval ships, France in various types of missiles and the United States in advanced fighters. Because such a division of labor would have great economic consequences it would be absolutely essential that it be equitable. The United States, as by far the largest weapons producer and exporter within the West, might be called upon to reduce its share of the world market. But such a specialization could also permit larger production runs, and thereby lead to substantial economies of scale. The economic necessity to export arms, as in France for example, might be reduced.

An important side benefit of European-American arms sales coordination would be to help realize the NATO goal of achieving greater standardization of weapons systems within the Alliance. Specialization of markets, by guaranteeing certain arms manufacturing capacities, would reduce the pressures within Europe for keeping viable all sectors of separate national arms industries. Collaboration in sales abroad could encourage the rationalization of defense efforts within NATO. Too often, arms sales to the Third World have been used as an excuse to keep open inefficient weapons production lines.

But it is the political benefits that would be paramount. The adoption by the Western producers of a suppliers' "code of

conduct” could help ensure that arms sales are kept within the confines of foreign policy goals that are in the interest of the non-communist world. Too often in the past, unbridled economic competition for arms sales has resulted in politically undesirable weapons transfers.

Second, at the point when the international atmosphere has become considerably more propitious than today, and after consultations have been held within the West, a new attempt should be made to discuss arms sales with the Soviet Union. This time, however, the Europeans should be full partners from the outset. Initially the discussions should involve a frank exchange of views on regional security and local political developments in sensitive areas. There may be common incentives to seek to insulate some local conflicts from East-West tensions. When interests sharply conflict, as they inevitably will at times, such discussions may provide a venue for crisis management. Maintaining contact can reduce some misunderstandings of each other’s purposes and foster much needed predictability in a period of tension or crisis.

It would be unrealistic, of course, to expect the Soviets to call a halt to their use of arms transfers as an instrument of policy, and even in the West there would be resistance to following such a course of self-denial. But we should seek some “rules of the game” that introduce a pattern of restraint. The understanding worked out after the 1962 Cuban missile crisis regarding the nontransfer of “offensive” weapons to the island may provide one type of precedent.

Can the Soviets really be drawn into some form of multilateral restraints? The constructive spirit with which they approached the CAT negotiations suggests that it is not hopeless. They may see some advantages in damping tensions and conflicts in some parts of the world and, as earlier noted, their own experience with arms sales in such places as Indonesia, Egypt and Somalia has been far from satisfactory. But let us be skeptical about Soviet motivations. Moscow could see such negotiations as a way of restraining Western sales to China. It could seek to use them to drive a wedge between the United States and its allies. And it could use the negotiations as a way of placing a lid on Western transfers, given that in the long run the West has a greater capacity to increase arms sales than does the Soviet Union.

Third, the suppliers should seek to involve the recipients in planning for restraints. The political and psychological dimensions are important. Proposals for restraint should not be seen as inherently discriminatory. For some time such proposals were

characterized as arrogant manifestations of paternalistic attitudes. But in the past several years Third World attitudes have been gradually changing, as evidenced in U.N. debates. Now there is an emerging tendency to see arms sales as a mechanism by which the industrialized world manipulates the developing nations, creating new forms of dependence and drawing them into the superpower confrontation.

Both of these points of view are extreme. The best plans for restraint would be regionally based, involve intensive discussions between the producers and the purchasers regarding real security needs, and should lead to a kind of symbiotic relationship beneficial to all.

In undertaking the above steps it should be borne in mind that the challenge is to *manage* the process of arms sales so as to enhance international security. Of themselves arms sales are neither “bad” nor “good”—it all depends upon how they are used—so that there is no a priori case for either reducing or increasing them. An arms control approach is desirable, but to be successful, care must be taken that it is not artificially separated from the realities of foreign policy. Arms sales, whether we like them or not, have become a common coin of today’s world politics. Because they are instruments of diplomacy as well as of security, they will gain in currency in the years to come.

*Spurgeon M. Keeny, Jr.
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MAD VERSUS NUTS

CAN DOCTRINE OR WEAPONRY REMEDY THE MUTUAL HOSTAGE RELATIONSHIP OF THE SUPERPOWERS?

Since World War II there has been a continuing debate on military doctrine concerning the actual utility of nuclear weapons in war. This debate, irrespective of the merits of the divergent points of view, tends to create the perception that the outcome and scale of a nuclear conflict could be controlled by the doctrine or the types of nuclear weapons employed. Is this the case?

We believe not. In reality, the unprecedented risks of nuclear conflict are largely independent of doctrine or its application. The principal danger of doctrines that are directed at limiting nuclear conflicts is that they might be believed and form the basis for action without appreciation of the physical facts and uncertainties of nuclear conflict. The failure of policymakers to understand the truly revolutionary nature of nuclear weapons as instruments of war and the staggering size of the nuclear stockpiles of the United States and the Soviet Union could have catastrophic consequences for the entire world.

Military planners and strategic thinkers for 35 years have sought ways to apply the tremendous power of nuclear weapons against target systems that might contribute to the winning of a future war. In fact, as long as the United States held a virtual nuclear monopoly, the targeting of atomic weapons was looked upon essentially as a more effective extension of the strategic bombing concepts of World War II. With the advent in the mid-1950s of a substantial Soviet nuclear capability, including multimegaton

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thermonuclear weapons, it was soon apparent that the populations and societies of both the United States and the Soviet Union were mutual hostages. A portion of the nuclear stockpile of either side could inflict on the other as many as 100 million fatalities and destroy it as a functioning society. Thus, although the rhetoric of declaratory strategic doctrine has changed over the years, mutual deterrence has in fact remained the central fact of the strategic relationship of the two superpowers and of the NATO and Warsaw Pact alliances.

Most observers would agree that a major conflict between the two hostile blocs on a worldwide scale during this period may well have been prevented by the specter of catastrophic nuclear war. At the same time, few would argue that this state of mutual deterrence is a very reassuring foundation on which to build world peace. In the 1960s the perception of the basic strategic relationship of mutual deterrence came to be characterized as "Mutual Assured Destruction," which critics were quick to note had the acronym of MAD. The notion of MAD has been frequently attacked not only as militarily unacceptable but also as immoral since it holds the entire civilian populations of both countries as hostages.¹

As an alternative to MAD, critics and strategic innovators have over the years sought to develop various war-fighting targeting doctrines that would somehow retain the use of nuclear weapons on the battlefield or even in controlled strategic war scenarios, while sparing the general civilian population from the devastating consequences of nuclear war. Other critics have found an alternative in a defense-oriented military posture designed to defend the civilian population against the consequences of nuclear war.

These concepts are clearly interrelated since such a defense-oriented strategy would also make a nuclear war-fighting doctrine more credible. But both alternatives depend on the solution of staggering technical problems. A defense-oriented military posture requires a nearly impenetrable air and missile defense over a large portion of the population. And any attempt to have a controlled war-fighting capability during a nuclear exchange places tremendous requirements not only on decisions made under incredible pressure by men in senior positions of responsibility but on the technical performance of command, control, communications and intelligence functions—called in professional circles "C³I" and which for the sake of simplicity we shall hereafter describe as

¹ See, for example, Fred Charles Iklé, "Can Nuclear Deterrence Last Out the Century?", *Foreign Affairs*, January 1973, pp. 267–85.

“control mechanisms.” It is not sufficient as the basis for defense policy to assert that science will “somehow” find solutions to critical technical problems on which the policy is dependent, when technical solutions are nowhere in sight.

In considering these doctrinal issues, it should be recognized that there tends to be a very major gap between declaratory policy and actual implementation expressed as targeting doctrine. Whatever the declaratory policy might be, those responsible for the strategic forces must generate real target lists and develop procedures under which various combinations of targets could be attacked. In consequence, the perceived need to attack every listed target, even after absorbing the worst imaginable first strike from the adversary, creates procurement “requirements,” even though the military or economic importance of many of the targets is small.

In fact, it is not at all clear in the real world of war planning whether declaratory doctrine has generated requirements or whether the availability of weapons for targeting has created doctrine. With an estimated 30,000 warheads at the disposal of the United States, including more than 10,000 avowed to be strategic in character, it is necessary to target redundantly all urban areas and economic targets and to cover a wide range of military targets in order to frame uses for the stockpile. And, once one tries to deal with elusive mobile and secondary military targets, one can always make a case for requirements for more weapons and for more specialized weapon designs.

These doctrinal considerations, combined with the superabundance of nuclear weapons, have led to a conceptual approach to nuclear war which can be described as Nuclear Utilization Target Selection. For convenience, and not in any spirit of trading epithets, we have chosen the acronym of NUTS to characterize the various doctrines that seek to utilize nuclear weapons against specific targets in a complex of nuclear war-fighting situations intended to be limited, as well as the management over an extended period of a general nuclear war between the superpowers.²

While some elements of NUTS may be involved in extending the

² The acronym NUT for Nuclear Utilization Theory was used by Howard Margolis and Jack Ruina, “SALT II: Notes on Shadow and Substance,” *Technology Review*, October 1979, pp. 31–41. We prefer Nuclear Utilization Target Selection, which relates the line of thinking more closely to the operational problem of target selection. Readers not familiar with colloquial American usage may need to be told that “nuts” is an adjective meaning “crazy or demented.” For everyday purposes it is a synonym for “mad.”

credibility of our nuclear deterrent, this consideration in no way changes the fact that mutual assured destruction, or MAD, is inherent in the existence of large numbers of nuclear weapons in the real world. In promulgating the doctrine of "countervailing strategy" in the summer of 1980, President Carter's Secretary of Defense Harold Brown called for a buildup of nuclear war-fighting capability in order to provide greater deterrence by demonstrating the ability of the United States to respond in a credible fashion without having to escalate immediately to all-out nuclear war. He was very careful, however, to note that he thought that it was "very likely" that the use of nuclear weapons by the superpowers at any level would escalate into general nuclear war.³ This situation is not peculiar to present force structures or technologies; and, regardless of future technical developments, it will persist as long as substantial nuclear weapon stockpiles remain.

Despite its possible contribution to the deterrence of nuclear war, the NUTS approach to military doctrine and planning can very easily become a serious danger in itself. The availability of increasing numbers of nuclear weapons in a variety of designs and delivery packages at all levels of the military establishment inevitably encourages the illusion that somehow nuclear weapons can be applied in selected circumstances without unleashing a catastrophic series of consequences. As we shall see in more detail below, the recent uninformed debate on the virtue of the so-called neutron bomb as a selective device to deal with tank attacks is a depressing case in point. NUTS creates its own endless pressure for expanded nuclear stockpiles with increasing danger of accidents, accidental use, diversions to terrorists, etc. But more fundamentally, it tends to obscure the fact that the nuclear world is in fact MAD.

The NUTS approach to nuclear war-fighting will not eliminate the essential MAD character of nuclear war for two basic reasons, which are rooted in the nature of nuclear weapons and the practical limits of technology. First, the destructive power of nuclear weapons, individually and most certainly in the large numbers discussed for even specialized application, is so great that the collateral effects on persons and property would be enormous and, in scenarios which are seriously discussed, would be hard to distinguish from the onset of general nuclear war. But more fundamentally, it does not seem possible, even in the most spe-

³ See Harold Brown, Speech at the Naval War College, August 20, 1980, the most authoritative public statement on the significance of Presidential Directive 59, which had been approved by President Carter shortly before.

cialized utilization of nuclear weapons, to envisage any situation where escalation to general nuclear war would probably not occur given the dynamics of the situation and the limits of the control mechanisms that could be made available to manage a limited nuclear war. In the case of a protracted general nuclear war, the control problem becomes completely unmanageable. Finally, there does not appear to be any prospect for the foreseeable future that technology will provide a secure shield behind which the citizens of the two superpowers can safely observe the course of a limited nuclear war on other people's territory.

II

So much has been said and written about the terrible consequences of nuclear war that any brief characterization of the problem seems strangely banal. Yet it is not clear how deeply the horror of such an event has penetrated the public consciousness or even the thinking of knowledgeable policymakers who in theory have access to the relevant information. The lack of public response to authoritative estimates that general nuclear war could result in 100 million fatalities in the United States suggests a general denial psychosis when the public is confronted with the prospect of such an unimaginable catastrophe. It is interesting, however, that there has been a considerable reaction to the campaign by medical doctors in several countries (including the United States and the Soviet Union), which calls attention to the hopeless plight of the tens of millions of casualties who would die over an extended period due to the total inability of surviving medical personnel and facilities to cope with the situation. One can stoically ignore the inevitability of death, but the haunting image of being among the injured survivors who would eventually die unattended is a prospect that few can easily accept fatalistically.

It is worth repeating the oft stated, but little comprehended, fact that a *single* modern strategic nuclear weapon could have a million times the yield of the high explosive strategic bombs of World War II, or one hundred to a thousand times the yield of the atomic bombs that destroyed Hiroshima and Nagasaki, killing 250,000 people. The blast from a single one-megaton weapon detonated over the White House in Washington, D.C. would destroy multistory concrete buildings out to a distance of about three miles (ten pounds per square inch overpressure with winds of 300 miles per hour)—a circle of almost complete destruction

reaching the National Cathedral to the northwest, the Kennedy Stadium to the east, and across the National Airport to the south. Most people in this area would be killed immediately. The thermal radiation from the same weapon would cause spontaneous ignition of clothing and household combustibles to a distance of about five miles (25 calories per centimeter squared)—a circle of raging fires reaching out to the District line. Out to a distance of almost nine miles there would be severe damage to ordinary frame buildings and second-degree burns to exposed individuals. Beyond these immediate effects the innumerable separate fires that had been ignited would either merge into an outward-moving conflagration or more likely create a giant fire storm of the type Hamburg and Tokyo experienced on a much smaller scale in World War II. While the intrushing winds would tend to limit the spread of the fire storm, the area within five to six miles of the explosion would be totally burned out, killing most of the people who might have escaped initial injury in shelters.

The point has been forcefully made recently by members of the medical community that the vast numbers of injured who escape death at the margin of this holocaust could expect little medical help. But beyond this, if the fireball of the explosion touched ground, the resulting radioactive debris would produce fallout with lethal effects far beyond the site of the explosion. Assuming the prevailing westerly wind conditions, a typical fallout pattern would indicate that there would be levels of fallout greater than 1,000 rems (450 rems produce 50 percent fatalities) over an area of some 500 square miles, and more than 100 rems (the level above which there will be significant health effects) over some 4,000 square miles reaching all the way to the Atlantic Ocean. In the case of a single explosion the impact of the fallout would be secondary to the immediate weapons effects, but when there are many explosions the fallout becomes a major component of the threat, since the fallout effects from each weapon are additive and the overlapping fallout patterns would soon cover large portions of the country with lethal levels of radiation.

Such levels of human and physical destruction are difficult for anyone, layman or specialist, to comprehend even for a single city, but when extended to an attack on an entire country they become a dehumanized maze of statistics. Comparison with past natural disasters is of little value. Such events as dam breaks and earthquakes result in an island of destruction surrounded by sources of help and reconstruction. Nuclear war involving many weapons would deny the possibility of relief by others.

When General David Jones, Chairman of the Joint Chiefs of Staff, was asked at a hearing of the Senate Foreign Relations Committee on November 3, 1981 what would be the consequences in the northern hemisphere of an all-out nuclear exchange, he had the following stark response:

We have examined that over many, many years. There are many assumptions that you have as to where the weapons are targeted. Clearly, the casualties in the northern hemisphere could be, under the worst conditions, into the hundreds of millions of fatalities. It is not to the extent that there would be no life in the northern hemisphere, but if all weapons were targeted in such a way as to give maximum damage to urban and industrial areas, you are talking about the greatest catastrophe in history by many orders of magnitude.

A devastating attack on the urban societies of the United States and Soviet Union would in fact require only a very small fraction of the more than 50,000 nuclear weapons currently in the arsenals of the two superpowers. The United States is commonly credited with having some 30,000 nuclear warheads of which well over 10,000 are carried by strategic systems capable of hitting the Soviet Union. It is estimated that the Soviet Union will soon have some 10,000 warheads in its strategic forces capable of hitting the United States. An exchange of a few thousand of these weapons could kill most of the urban population and destroy most of the industry of both sides.

But such figures are in themselves misleading because they are already high on a curve of diminishing returns and much smaller attacks could have very severe consequences. A *single* Poseidon submarine captain could fire some 160 independently targetable nuclear warheads (each with a yield several times larger than those of the weapons that destroyed Hiroshima and Nagasaki) against as many Soviet cities. If optimally targeted against the Soviet population, this alone could inflict some 30 million fatalities. One clear fact of the present strategic relationship is that the urban societies of both the United States and the Soviet Union are completely vulnerable to even a small fraction of the other side's accumulated stockpile of nuclear weapons.

III

The theme that nuclear weapons can be successfully employed in war-fighting roles somehow shielded from the MAD world appears to be recurring with increasing frequency and seriousness.⁴

⁴ For a particularly clear statement of this view, see Colin S. Gray and Keith Payne, "Victory Is Possible," *Foreign Policy*, Summer 1980, pp. 14-27. For opposing arguments, see Michael E. Howard, "On Fighting a Nuclear War," *International Security*, Spring 1981, pp. 3-17, and a further exchange between Messrs. Gray and Howard in *International Security*, Summer 1981, pp. 185-87.

Support for Nuclear Utilization Target Selection—NUTS—comes from diverse sources: those who believe that nuclear weapons should be used selectively in anticipated hostilities; those who believe that such capabilities deter a wider range of aggressive Soviet acts; those who assert that we must duplicate an alleged Soviet interest in war-fighting; and those who are simply trying to carry out their military responsibilities in a more “rational” or cost-effective manner. The net effect of this increasing, publicized interest in NUTS is to obscure the almost inevitable link between any use of nuclear weapons and the grim “mutual hostage” realities of the MAD world. The two forces generating this link are the collateral damage associated with the use of nuclear weapons against selected targets and the pressures for escalation of the level of nuclear force once it is used in conflict. Collateral effects and pressures for escalation are themselves closely linked.

To appreciate the significance of the collateral effects of nuclear weapons and the pressure for escalation, one must look at actual war-fighting scenarios that have been seriously proposed. The two scenarios that are most often considered are Soviet attempts to carry out a disarming, or partially disarming, attack against U.S. strategic forces in order to force the surrender of the United States without war, and the selective use of nuclear weapons by the United States in Western Europe to prevent the collapse of NATO forces in the face of an overwhelming Soviet conventional attack. One can expect to hear more about the selective use of nuclear weapons by the United States in the Middle East in the face of an overwhelming Soviet conventional attack on that area.

The much discussed “window of vulnerability” is based on the fear that the Soviets might launch a “surgical” attack against vulnerable Minuteman ICBM silos—the land-based component of the U.S. strategic triad—to partially disarm the U.S. retaliatory forces, confident that the United States would not retaliate. The scenario then calls for the United States to capitulate to Soviet-dictated peace terms.

Simple arithmetic based on intelligence assessments of the accuracy and yields of the warheads on Soviet missiles and the estimated hardness of Minuteman silos does indeed show that a Soviet attack leaving only a relatively small number of surviving Minuteman ICBMs is mathematically possible in the near future. There is much valid controversy about whether such an attack is in fact operationally feasible with the confidence that a rational decision-maker would require. But what is significant here is the question whether the vulnerability of Minuteman, real or percep-

tual, could in fact be exploited by the Soviets without risking general nuclear war. Would a U.S. President react any differently in response to an attack against the Minuteman force than to an attack of comparable weight against other targets?

Despite the relatively isolated location of the Minuteman ICBM fields, there would be tremendous collateral damage from such an attack, which under the mathematical scenario would involve at least 2,000 weapons with megaton yields. It has been estimated by the Congressional Office of Technology Assessment that such an attack would result in from two to 20 million American fatalities, primarily from fallout, since at least half the weapons would probably be ground burst to maximize the effect of the attack on the silos. The range of estimated fatalities reflects the inherent uncertainties in fallout calculations due to different assumptions on such factors as meteorological conditions, weapon yield and design, height of burst and amount of protection available and used. Estimates of fatalities below eight to ten million require quite optimistic assumptions.

It seems incredible that any Soviet leader would count on any President suing for peace in circumstances where some ten million American citizens were doomed to a slow and cruel death but the United States still retained 75 percent of the strategic forces and its entire economic base. Instead, Soviet leadership would perceive a President, confronted with an incoming missile attack of at least 2,000 warheads and possibly many more to follow in minutes, and with the action options of retaliating on warning with his vulnerable land-based forces or riding out the attack and retaliating at a level and manner of his own choosing with substantial surviving air and sea-based strategic forces.

It is hard to imagine that this scenario would give the Soviets much confidence in their ability to control escalation of the conflict. If the Soviets did not choose to attack U.S. command, control, communications and intelligence (c³i) capabilities, the United States would clearly be in a position to retaliate massively or to launch a more selective initial response. If vulnerable control assets were concurrently attacked, selective responses might be jeopardized but the possibility of an automatic massive response would be increased since the nature of the attack would be unclear. But even if these control assets were initially untouched, the Soviets could not be so overly confident of their own control mechanisms or so overly impressed with those of the United States as to imagine that either system could long control such massive levels of violence, with increasing collateral damage, without the

situation very rapidly degenerating into general nuclear war.

The question of nuclear war-fighting in Europe has a long and esoteric history. Tactical nuclear weapons have been considered an additional deterrent to a massive Soviet conventional attack by threatening escalation to general nuclear war involving strategic forces—the so-called coupling effect. At the same time, tactical nuclear forces have been looked on as a necessary counterbalance to Soviet conventional forces in a limited war-fighting situation. To this end, the United States is said to have some 6,000 to 7,000 tactical nuclear weapons in Europe.⁵ The existence of this stockpile has been public knowledge so long that it is largely taken for granted and the power of the weapons, which range in yield from around a kiloton to around a megaton, is not appreciated. It is interesting to note that we have in Europe one nuclear weapon (with an average yield probably comparable to the weapon that destroyed Hiroshima) for every 50 American soldiers stationed there including support troops. Tactical nuclear weapons are, of course, no longer a U.S. monopoly. The Soviets are building up comparable forces and have had for some time long-range theater nuclear missiles, earlier the SS-4 and SS-5, and now the SS-20, for which the United States does not have a strict counterpart. In this regard, it must be remembered that it is always feasible for the United States or the Soviet Union to employ some of their long-range strategic missiles against targets in Europe.

There is now a great debate, particularly in Europe, about the proposed deployment on European soil of U.S.-controlled long-range Pershing II and ground-based cruise missiles capable of reaching the territory of the Soviet Union, in response to the growing deployment of Soviet SS-20 mobile medium-range ballistic missiles. This discussion tends to consider the SS-20s and the proposed new forces as a separate issue from the short- and medium-range nuclear weapons already deployed in Europe. There is indeed a technical difference: the proposed Pershing II missile is of sufficient range to reach Soviet territory in only a few minutes, and the SS-20 is a much more accurate and flexible weapons system than earlier Soviet intermediate-range nuclear systems. Yet, the overriding issue which tends to be submerged in the current debate is the fact that *any* use of nuclear weapons in theater warfare in Europe would almost certainly lead to massive

⁵ For a discussion of the usefulness of theater nuclear forces in NATO as of that date, see Alain C. Enthoven, "U.S. Forces in Europe: How Many? Doing What?", *Foreign Affairs*, April 1975, pp. 523-31.

civilian casualties even in the unlikely event the conflict did not escalate to involve the homelands of the two superpowers.

Calculations of collateral casualties accompanying nuclear warfare in Europe tend to be simplistic in the extreme. First, the likely proximity of highly populated areas to the combat zone must be taken into account. One simply cannot assume that invading enemy columns will position themselves so that they offer the most favorable isolated target to nuclear attack. Populated areas could not remain isolated from the battle. Cities would have to be defended or they would become a safe stepping-stone for the enemy's advance. In either case, it is difficult to imagine cities and populated areas remaining sanctuaries in the midst of a tactical nuclear war raging around them. Then one must remember that during past wars in Europe as much as one-half of the population was on the road in the form of masses of refugees. Above all, in the confusion of battle, there is no control system that could assure that weapons would not inadvertently strike populated areas. Beyond immediate effects, nuclear fallout would not recognize restrictions based on population density.

The common feature of the above examples is that specialized use of nuclear weapons will as a practical matter be difficult to distinguish from unselective use in the chaos of tactical warfare. A case in point is the much-publicized neutron bomb, which has been promoted as a specialized anti-tank weapon since neutrons can penetrate tank armor and kill the crew. It is frequently overlooked that the neutron bomb is in fact a nuclear weapon with significant yield. While it does emit some ten times as many neutrons as a comparable "ordinary" small nuclear weapon, it also kills by blast, heat, and prompt radiation. For instance, one of the proposed neutron warheads for the Lance missile has a one-kiloton yield, which would produce the same levels of blast damage experienced at Hiroshima at a little less than one-half the distance from the point of detonation.

An attack on tanks near a populated area or a targeting error in the heat of battle would clearly have a far-reaching effect on civilians and structures in the vicinity. Moreover, the lethal effects of the neutrons are not sharply defined. There would be attenuation by intervening structures or earth prominences, and there is a wide gap (from 500 to 10,000 rems) between a dose which would eventually be fatal and that which would immediately prevent a soldier from continuing combat. Under actual war conditions no local commander, much less a national decision-maker, could readily tell whether a neutron weapon or some other

kind of nuclear weapon had been employed by the enemy. Thus, the threat of escalation from local to all-out conflict, the problems of collateral damage of nuclear weapons, and the disastrous consequences of errors in targeting, are not changed by the nature of the nuclear weapons.

In short, whatever the utility of the neutron bomb or any other "tactical" nuclear weapon in *detering* Soviet conventional or nuclear attack, any actual use of such weapons is extremely unlikely to remain limited. We come back to the fundamental point that the only meaningful "firebreak" in modern warfare, be it strategic or tactical, is between nuclear and conventional weapons, not between self-proclaimed categories of nuclear weapons.

IV

The thesis that we live in an inherently MAD world rests ultimately on the technical conclusion that effective protection of the population against large-scale nuclear attack is not possible. This pessimistic technical assessment, which follows inexorably from the devastating power of nuclear weapons, is dramatically illustrated by the fundamental difference between air defense against conventional and nuclear attack. Against bombers carrying conventional bombs, an air defense system destroying only 10 percent of the incoming bombers per sortie would, as a practical matter, defeat sustained air raids such as the ones during World War II. After ten attacks against such a defense, the bomber force would be reduced to less than one-third of its initial size, a very high price to pay given the limited damage from conventional weapons even when over 90 percent of the bombers penetrate. In contrast, against a bomber attack with nuclear bombs, an air defense capable of destroying even 90 percent of the incoming bombers on each sortie would be totally inadequate since the damage produced by the penetrating 10 percent of the bombers would be devastating against urban targets.

When one extends this air defense analogy to ballistic missile defenses intended to protect population and industry against large numbers of nuclear missiles, it becomes clear that such a defense would have to be almost leakproof since the penetration of even a single warhead would cause great destruction to a soft target. In fact, such a ballistic missile defense would have to be not only almost leakproof but also nationwide in coverage since the attacker could always choose the centers of population or industry he wished to target. The attacker has the further advantage that he can not only choose his targets but also decide what fraction of

his total resources to expend against any particular target. Thus, an effective defense would have to be extremely heavy across the entire defended territory, not at just a few priority targets. The technical problem of providing an almost leakproof missile defense is further compounded by the many technical measures the attacking force can employ to interfere with the defense by blinding or confusing its radars or other sensors and overwhelming the system's traffic-handling capacity with decoys.

When these general arguments are reduced to specific analysis, the conclusion is inescapable that effective protection of the population or industry of either of the superpowers against missile attack by the other is unattainable with present ABM (anti-ballistic missile) defense technology, since even the most elaborate systems could be penetrated by the other side at far less cost. This conclusion is not altered by prospective improvements in the components of present systems or by the introduction of new concepts such as lasers or particle beams into system design.

These conclusions, which address the inability of ballistic missile defense to eliminate the MAD character of the strategic relationship, do not necessarily apply to defense of very hard point targets, such as missile silos or shelters for mobile missiles. The defense of these hardened military targets does offer a more attractive technical opportunity since only the immediate vicinity of the hardened site needs to be defended and the survival of only a fraction of the defended silos is necessary to serve as a deterrent. Thus, the technical requirements for the system are much less stringent than for population or industrial defense and a much higher leakage rate can be tolerated. When these general remarks are translated into specific analysis which takes into account the many options available to the offense, hard site defense still does not look particularly attractive. Moreover, such a defense, even if partially successful, would not prevent the serious collateral fallout effects from the attack on the population discussed above. Nevertheless, the fact that these systems are technically feasible, and are advocated by some as effective, tends to confuse the public on the broader issue of the feasibility of urban defense against ballistic missiles.

The United States has a substantial research and development effort on ballistic missile defenses of land-based ICBMs as a possible approach to increase survivability of this leg of the strategic triad. The only program under serious consideration that could be deployed in this decade is the so-called LOAD (Low Altitude Defense) system. This system, which would utilize very small

hardened radars and small missiles with small nuclear warheads, is designed to intercept at very close range those attacking missiles that might detonate close enough to the defended ICBM to destroy it. This last ditch defense is possible with nuclear weapons since the defended target is extremely hard and can tolerate nuclear detonations if they are not too close. While such a system for the defense of hard sites is technically feasible, there has been serious question as to whether it would be cost-effective in defending the MX in fixed Titan or Minuteman silos since the system could be overwhelmed relatively easily. In the case of the defense of a mobile MX in a multiple shelter system, the economics of the exchange ratios are substantially improved if the location of the mobile MX and mobile defense system are in fact unknown to the attacker; however, there are serious questions whether the presence of radiating radar systems might not actually compromise the location of the MX during an attack.

Looking further into the future, the U.S. research program is considering a much more sophisticated "layered" system for hard site defense. The outer layer would involve an extremely complex system using infrared sensors that would be launched on warning of a Soviet attack to identify and track incoming warheads. Based on this information, many interceptors, each carrying multiple, infrared-homing rockets with non-nuclear warheads, would be launched against the cloud of incoming warheads and attack them well outside the atmosphere. The warheads that leaked through this outer exoatmospheric layer would then be engaged by a close-in layer along the lines of the LOAD last ditch system described above.

It has been suggested that the outer layer exoatmospheric system might evolve into an effective area defense for population and industry. Actually, there are many rather fundamental technical questions that will take some time to answer about the ability of such a system to work at all against a determined adversary in the time frame needed to deploy it. For example, such a system would probably be defeated by properly designed decoys or blinded by nuclear explosions and, above all, may well be far too complex for even prospective control capabilities to operate. Whatever the value of these types of systems for hard site defense to support the MAD role of the deterrent, it is clear that the system holds no promise for population or industry defense and simply illustrates the technical difficulty of dealing with that problem.

While the government struggles with the much less demanding problem whether it is possible to design a plausible, cost-effective

defense of hardened ICBM silos, the public is bombarded with recurring reports that some new technological “breakthrough” will suddenly generate an “impenetrable umbrella” which would obviate the MAD strategic relationship. Such irresponsible reports usually rehash claims for “directed energy” weapons which are based on the propagation of extremely energetic beams of either light (lasers) or atomic particles propagated at the speed of light to the target. Some of the proposals are technically infeasible, but in all cases one must remember that for urban defense only a system with country-wide coverage and extraordinarily effective performance would have an impact on the MAD condition. To constitute a ballistic missile defense system, directed energy devices would have to be integrated with detection and tracking devices for the incoming warheads, an extremely effective and fast data-handling system, the necessary power supplies for the extraordinarily high demand of energy to feed the directed energy weapons, and would have to be very precisely oriented to score a direct hit to destroy the target—as opposed to nuclear warheads that would only have to get in the general vicinity to destroy the target.

There are fundamental considerations that severely limit the application of directed energy weapons to ballistic missile defense. Particle beams do not penetrate the atmosphere. Thus, if such a system were ground-based, it would have to bore a hole through the atmosphere and then the beam would have to be focused through that hole in a subsequent pulse. All analyses have indicated that it is physically impossible to accomplish this feat stably. Among other things, laser systems suffer from the fact that they can only operate in good weather since clouds interfere with the beam.

These problems involving the atmosphere could be avoided by basing the system in space. Moreover, a space-based system has the desirable feature of potentially being able to attack missiles during the vulnerable launch phase before the reentry vehicles are dispersed. However, space-based systems involve putting a very complex system with a large power requirement into orbit. Analysis indicates that a comprehensive defensive system of this type would require over a hundred satellites, which in turn would need literally thousands of space shuttle sorties to assemble. It has been estimated that such a system would cost several hundred billion dollars. Even if the control mechanisms were available to operate such a system, there are serious questions as to the vulnerability of the satellites to physical attack and to various measures that would interfere with the system’s operation. In short, no respon-

sible analysis has indicated that for at least the next two decades such "death ray weapons" have any bearing on the ABM problem or that there is any prospect that they would subsequently change the MAD character of our world.

Defense against aircraft further illustrates the inherently MAD nature of today's world. Although the Soviets have made enormous investments in air defense, the airborne component of the U.S. strategic triad has not had its damage potential substantially reduced. Most analyses indicate that a large fraction of the "aging" B-52 fleet would penetrate present Soviet defenses, with the aid of electronic countermeasures and defense suppression by missiles. It is true that the ability of B-52s to penetrate will gradually be impaired as the Soviets deploy "look down" radar planes similar to the much publicized AWACS (Airborne Warning and Control System). However, these systems will not be effective against the air-launched cruise missiles whose deployment on B-52s will begin shortly; their ability to penetrate will not be endangered until a totally new generation of Soviet air defenses enters the picture. At that time, one can foresee major improvements in the ability of both bombers and cruise missiles to penetrate through a number of techniques, in particular the so-called "stealth" technology which will reduce by a large factor the visibility of both airplanes and cruise missiles to radar.

In short, there is little question that in the defense-offense race between air defenses and the airborne leg of the triad, the offense will retain its enormous damage potential. For its part, the United States does not now have a significant air defense, and the limited buildup proposed in President Reagan's program would have little effect on the ability of the Soviets to deliver nuclear weapons by aircraft against this country. Consequently, the "mutual hostage" relationship between the two countries will continue, even if only the airborne component of the triad is considered.

It is sometimes asserted that civil defense could provide an escape from the consequences of the MAD world and make even a general nuclear war between the superpowers winnable. This assertion is coupled with a continuing controversy as to the actual effectiveness of civil defense and the scope of the present Soviet civil defense program. Much of this debate reflects the complete failure of some civil defense advocates to comprehend the actual consequences of nuclear war. There is no question that civil defense could save lives and that the Soviet effort in this field is substantially greater than that of the United States. Yet all analyses have made it abundantly clear that to have a significant impact in a general nuclear war, civil defense would have to

involve a much greater effort than now practiced on either side and that no amount of effort would protect a large portion of the population or the ability of either nation to continue as a functioning society.

There is evidence that the Soviets have carried out a shelter program which could provide fallout and some blast protection for about ten percent of the urban population. The only way even to attempt to protect the bulk of the population would be complete evacuation of the entire urban population to the countryside. Although to our knowledge there has never been an actual urban evacuation exercise in the Soviet Union, true believers in the effectiveness of Soviet civil defense point to the alleged existence of detailed evacuation plans for all Soviet cities. Yet, when examined in detail, there are major questions as to the practicality of such evacuation plans.

The U.S. Arms Control and Disarmament Agency has calculated, using a reasonable model and assuming normal targeting practices, that even with the general evacuation of all citizens and full use of shelters, in a general war there would still be at least 25 million Soviet fatalities. Such estimates obviously depend on the model chosen: some have been lower but others by the Defense Department have been considerably higher. The time for such an all-out evacuation would be at least a week. This action would guarantee unambiguous strategic warning and provide ample time for the other side to generate its strategic forces to full alert, which would result in a substantially greater retaliatory strike than would be expected from normal day-to-day alert. If the retaliatory strike were ground burst to maximize fallout, fatalities could rise to 40 to 50 million; and if part of the reserve of nuclear weapons were targeted against the evacuated population, some 70 to 85 million could be killed. Until recently little has been said about the hopeless fate of the vast number of fallout casualties in the absence of organized medical care or what would become of the survivors with the almost complete destruction of the economic base and urban housing.

Finally, there is no evidence that the Soviets are carrying out industrial hardening or are decentralizing their industry, which remains more centralized than U.S. industry. This is not surprising since there is nothing they can do that would materially change the inherent vulnerability of urban society in a MAD world.

v

In sum, we are fated to live in a MAD world. This is inherent in the tremendous power of nuclear weapons, the size of nuclear

stockpiles, the collateral damage associated with the use of nuclear weapons against military targets, the technical limitations on strategic area defense, and the uncertainties involved in efforts to control the escalation of nuclear war. There is no reason to believe that this situation will change for the foreseeable future since the problem is far too profound and the pace of technical military development far too slow to overcome the fundamental technical considerations that underlie the mutual hostage relationship of the superpowers.

What is clear above all is that the profusion of proposed NUTS approaches has not offered an escape from the MAD world, but rather constitutes a major danger in encouraging the illusion that limited or controlled nuclear war can be waged free from the grim realities of a MAD world. The principal hope at this time will not be found in seeking NUTS doctrines that ignore the MAD realities but rather in recognizing the nuclear world for what it is and seeking to make it more stable and less dangerous.

Christoph Bertram

THE IMPLICATIONS OF THEATER NUCLEAR WEAPONS IN EUROPE

Since nuclear deterrence began, some of the forces providing deterrence for the West have been stationed in Europe. In the early period, when delivery systems did not yet enjoy intercontinental range, European real estate was essential for America's strategic deterrent. But with new intercontinental ballistic missiles (ICBMs) and sea-based nuclear missiles, introduced in the late 1950s, the U.S. nuclear deterrent no longer required bases in Europe: the age of geographic deterrence identity between the United States and its European allies had come to an end.

The military and political problems of the European theater nuclear balance have arisen since then. They are essentially caused by the distinctiveness of the theater issues from the nuclear-strategic aspects; the main focus of debate regarding the balance has, in fact, been on the degree of this distinctiveness and the consequences that follow from it. This pattern runs from the transatlantic debate over the Multilateral Force (MLF) in the early 1960s to that over the function of tactical nuclear weapons in European defense; from the political concerns over the withdrawal of the U.S. Jupiter and Thor missiles in the early 1960s to the first real Alliance decision on theater nuclear forces, taken in December 1979, to station new U.S. Pershing II and cruise missiles on European territory. However painful that decision was for a number of European governments, and however controversial it has become in their internal political debates, it is not the first nor will it be the last time that theater nuclear issues have strained the Alliance.

The main reason for this does not lie in distinctiveness between the central and the theater nuclear balance in terms of weaponry; it lies in the distinction between the requirements of central and

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of extended deterrence. The former relies on the capability to launch a destructive second nuclear strike against a nuclear attacker. The latter, particularly as long as it has to make up for conventional defense deficits, relies on the credible potential for a nuclear first strike. The political strains thus built into the issue from the start have been aggravated by the advent of strategic parity and vulnerability: the United States must ponder whether to risk its own survival for the sake of that of its allies, while the allies wonder whether the United States might seek to separate its own security from theirs, either by trying to confine nuclear wars to allies' soil, or by refusing to protect them with an effective nuclear "umbrella."

The December 1979 decision on theater nuclear weapons is important for both the political and military consequences which may derive from it. It is significant that the decision occurred against the background of Soviet-American strategic parity and bilateral attempts at arms limitations. It represents the first occasion when the Alliance—as opposed to individual nuclear weapons states—took a decision on the production (not merely the introduction) of nuclear weapons. And, as the widespread European opposition to the NATO decision testifies, it emphasizes the probably inseparable connection between nuclear and political matters in the Western Alliance.

The issue will be examined in five parts: first, the military and political background of the 1979 decision; second, the procedure implied by the decision, on the procurement of the new systems, and on the arms control proposal that accompanied it; third, the problems raised by the implementation of the program for political cohesion in the Alliance; fourth, the possibilities for arms control; and, finally, the major consequences for the future.

II

Major military decisions rarely can be traced to one cause or to one justification. In the Long-Range Theater Nuclear Forces (LRTNF) decision of December 1979 ostensible and underlying causes often differed, while military motivations combined with political ones.

The military reasons for the new program fall into two related categories: the advent of strategic nuclear parity between the superpowers, and the growing Soviet threat to theater nuclear forces in Europe. In the 1950s and 1960s, and even during much of the 1970s, America's superiority in strategic nuclear forces was so manifest that little attention had to be paid to the military

requirements of theater nuclear forces. Their deployment was—as the fate of the MLF of the early 1960s or the introduction of thousands of nuclear warheads for theater purposes at the same time underlined—more an instrument for Alliance policies than a real addition to military deterrence. The Soviet strategic disadvantage and the commensurate U.S. advantage created a general conviction, not seriously affected by General de Gaulle's doubts, that the United States could afford a nuclear exchange while the Soviet Union could not: the U.S. surplus of strategic deterrence provided regional deterrence for America's allies as well.

Three developments changed this picture of confidence. First, and most important, the Soviet Union caught up with the United States and attained numerical parity during the 1980s. Second, the strategic arms limitation agreements between the superpowers had the effect of distinguishing the strategic from the theater nuclear issues, thus highlighting the deficiencies in theater forces which, in the past, had seemed of little consequence. Third, the advent of ICBM vulnerability in the 1980s reinforced this distinction: it will clearly be even more difficult for an American President to authorize a nuclear strike in Europe if a Soviet response could destroy much of America's land-based strategic missile forces.

Developments on the strategic level thus tended to call attention to the theater level, where, as a result of the extent and reach of the Soviet military effort of the past decade, the picture looked far from reassuring. There was justified concern that NATO's longer-range nuclear systems—all of them aircraft—were aging and increasingly vulnerable to Soviet preemptive attack. And the buildup of the Soviet SS-20 medium-range missile caused concern that the Soviet Union was obtaining "escalation dominance" (the ability to control the level of exchange by effectively deterring the other side from escalating). Hence the belief that this would have to be offset by new, more survivable and equally medium-range missiles, capable of reaching targets in the Soviet Union.

Yet none of these arguments, however plausible, is totally compelling. Despite the rough parity in the number of strategic launchers between the United States and the Soviet Union, the American lead in deliverable nuclear warheads remains impressive; even as it declines toward the mid-1980s, new theater-based missiles would only make a marginal difference. The buildup of Soviet theater-range nuclear weapons only adds to military options that the Soviet force of medium- and intermediate-range missiles has enjoyed from the late 1960s, rather than creating new

ones. Moreover, there is no compelling military reason for arguing either that U.S. strategic forces would no longer be sufficient to provide adequate deterrence against the use of these weapons, or that the new Pershings and cruise missiles would be. The limitations on strategic forces imposed by SALT II (still observed even though the agreements have not been ratified) will make regional imbalances more dangerous only under two conditions: if the remaining strategic forces are clearly insufficient to counter unfavorable regional asymmetries (and they are not); or if the limits implied that Soviet advantages could not be offset by commensurate U.S. force programs (they also do not).

If protection of nuclear launchers against preemptive destruction is a prime consideration for the new program, then the Pershing II (slightly but not decisively more mobile than the Pershing I missile) seems less suited to the mission than the ground-launched cruise missiles, while both of these systems would be more vulnerable on land than in a sea-based mode—an option that was rejected. “Escalation dominance,” finally, suggests a tidiness in categories of nuclear weapons and nuclear escalation processes which belongs more to theoretical scenarios than to the realities of a world in crisis or at war.

Yet military decisions cannot always wait for a clarity of concepts which all too often is elusive. And while there are aspects of the 1979 LRTNF program which are open to criticism, its military features tend in general to strengthen deterrence and crisis stability, and to emphasize the deterrence identity between Western Europe and the United States. As long as Western Europe’s security cannot be assured by conventional forces alone and the nuclear deterrence link to U.S. strategic forces remains necessary:

- U.S. nuclear forces *in Europe* will be a more credible and more proportionate demonstration of that link than U.S.-based strategic nuclear systems alone would be;
- these European forces should be able to survive a Soviet attack, so that the danger of slipping inadvertently into an all-out nuclear exchange would be minimized (the 464 ground-launched cruise missiles and 108 Pershing IIs of the NATO decision would be less vulnerable to attack than the present U.S. TNF arsenal in Europe);
- the composition of these forces should make the limitation of nuclear conflict to the European continent less likely (the new systems’ ability to reach targets in the Soviet Union would widen the conflict beyond the immediate European conflict theater);

— and finally, these forces should provide additional deterrence but not an offensive option against the Soviet Union (neither the cruise missiles, which require a flight time of two to three hours to reach their targets, nor the Pershing IIs, which are well below the quantitative levels required for an effective disarming strike against Soviet military installations, provide serious offensive options).

III

If the military rationale is strong, it remains true that political even more than military concerns shaped the 1979 NATO decision. This has injected ambiguity into the issue. What may be desirable today, for political reasons, may become for other political reasons less desirable tomorrow. Over the period of NATO's LRTNF decision, political concerns and motivations have in fact changed considerably. At first the call for the new weapons came from Western Europe, while the United States was significantly less impressed with the need for them. But as Soviet opposition and European domestic controversy over the program picked up and enthusiasm waned in Europe, the implementation of the program became for many in the United States a test of Alliance cohesion.

In the late 1970s European concern over the Soviet SS-20 was coupled with suspicion over the SALT process and, in particular, the way in which "grey area weapons"—outside the SALT definition but of direct relevance to the European theater—were treated in the Soviet-American negotiations; today European governments come close to claiming that the ratification of the SALT II Treaty is a condition for implementing the 1979 program.

Then, Europeans tended to see American readiness to go ahead with the program as a much needed manifestation of U.S. leadership and continued commitment to European security; today the United States (probably irrespective of the political philosophy of the Administration) would see the collapse of political support for the TNF modernization as a sure sign of the "Finlandization" of Europe.

The contrast between 1979 and the present suggests that the motivation for the program lay not so much in Soviet behavior as in an uneasiness about the Alliance itself. This was particularly true of U.S.-West German relations, and it is not coincidence that the West German Chancellor, Helmut Schmidt, was the first Alliance leader to raise the issue publicly.¹ Thus was confirmed a

¹ He did so in his 1977 Alastair Buchan Memorial Lecture, reprinted in *Survival*, January-February 1978, pp. 2-10.

law of the Alliance, and especially of U.S.-West German relations, which has been in effect since the early 1960s: whenever political relations are strained, this finds its expression in nuclear issues. This is not, in itself, surprising. The ability of the United States to offer credible security to its European allies depends on nuclear weapons and the will to use them, in the final event, for the sake of Europe. Since there can be no guarantee to that effect, the credibility of the U.S. commitment depends, in the first and last instance, on the recognition of mutual vital interests and mutual trust. But once the trust is questioned—and European sensitivities are always highly developed—nuclear weapons become the most visible expression of the commitment.

But nuclear weapons, as earlier experience has shown, cannot cure a political malaise of the kind that developed between Europe and America in the early Carter years or in the early Reagan months; only the reestablishment of political trust can. Moreover, nuclear weapons are both the most reassuring and the potentially most controversial symbol of Alliance cohesion: reassuring if they underline America's willingness to risk her own security for that of Europe, but controversial if they suggest that the primary theater of nuclear war would be Europe. Only political trust makes these tensions tolerable. To seek remedies for political strains in the Alliance through the nuclear route is, therefore, shortsighted. It is simply the wrong instrument.

IV

The 1979 decision was a novelty in two respects: for the first time a U.S. nuclear weapons program was made dependent on prior allied consent, and the decision to procure new arms was linked with an undertaking to negotiate their limitation through bilateral U.S.-Soviet arms control. It is the novelty of this procedure which has tended to accentuate the political impact of the issue in particular, and of theater nuclear matters in general.

First, before the new weapons were even produced, America's allies were asked to commit themselves to deploy them on their territory. The U.S. refusal to proceed without this commitment amounted in practice to a collective decision for the production and implementation of two major new weapons systems involving non-nuclear member states of the Alliance.

The significance of this novel procedure has been little noticed, yet it cannot be overstressed. The familiar pattern of nuclear procurement decisions in the preceding 30 years of the Alliance had been that these were made by the United States alone (and

Britain and France for their respective forces) and that only afterwards, through a bilateral arrangement, were the countries on whose territory the weapons were to be stationed asked to agree to the specific deployment. This practice had been abandoned for the first time in the "neutron bomb" affair in 1978—probably one major reason for the ill fate it experienced.²

It is unfortunate that this practice was again employed for the LRTNF program. To ask European non-nuclear countries to endorse a nuclear weapons program inevitably forces them to protect that decision within their domestic political context by devices that are not conducive to the effectiveness of the program. It was this which led the government of Helmut Schmidt to insist that West Germany should not be the only continental European country to agree to the deployment of the new weapons, thus both prolonging the decision process and strengthening already strong anti-nuclear emotions in Holland—which later on were to spill over into the debate on the German Left. Similarly, the request to European non-nuclear Alliance states to stand up and be counted in a nuclear procurement decision practically invited these governments to attach conditions to the decision and, in order to gain domestic political support, to link it to an arms control initiative in a way which rendered the whole program ambiguous.

Some will contend that European (and particularly German) insistence on the need for linking the program to arms control was the result less of the chosen procedure than of a growing European respect for the weight of Soviet military power and growing doubts over American consistency. One cannot prove the contrary, but to this observer it is not a convincing argument.

A more probable explanation is that there exists in Europe, particularly but not only in those countries that have foresworn a nuclear military capability for themselves, a profound and continuous allergy to all nuclear military matters, which inevitably surfaces if their governments are asked to take responsibility for nuclear weapons programs, and which responsible politicians in these countries have to take into account. One cannot ask European governments both to be involved in the decision and to avoid the controversy. The one follows from the other.

Why then was this not taken into account as the LRTNF decision was shaped? Why was this lesson from the neutron bomb debacle not learnt? Two explanations seem probable. First, that part of the lesson was not sufficiently recognized. Second, political perceptions on both sides of the Atlantic assured that, even if the

² See the analysis in *Strategic Survey*, 1978, p. 10.

lesson had been recognized, other considerations now seemed weightier. For the Carter Administration, the lesson from the neutron bomb fiasco was that what had gone wrong was a lack of firmness by the United States, so that, on the LRTNF issue, it was essential above all to prove U.S. leadership, not to be more perceptive toward domestic European political requirements.

But there was also logic to the U.S. approach. Since the new weapons were specifically designed for, and only relevant in, the military context of Europe, it made little sense for the United States to go ahead with their production unless those on whose soil the weapons were to be stationed gave their prior agreement; in fact the absence of such agreement might well have jeopardized the budget request in the U.S. Congress. Moreover, was it not natural for a mature Alliance that there should be no "nuclearization without participation"?

The question for the future is to what extent the full participation of European governments in specifically Europe-related nuclear weapons decisions is desirable or unavoidable. It may be desirable if this is the necessary ticket for European governments to become involved from the start in all nuclear questions which affect them. But is it? This depends partly on whether or not one believes that to leave these matters to the United States will change substantially the reliability of the U.S. security commitment to Europe. Since that commitment is essentially defined by America's strategic interests, and these are unlikely to change, a greater European say on Alliance nuclear matters might be optically more satisfying, but in substance it would be marginal.

On the other hand, has the procedure become inevitable now that the TNF precedent has been established? On the U.S. side the answer was provided by President Reagan's August 1981 decision on the production of the neutron warhead. By deciding unilaterally on the weapons program and promising to seek later the agreement of host countries for the deployment, the United States returned to the pre-1977 practice.

Is the precedent nonetheless still powerful in Europe? The first reaction in West European capitals, and particularly in West Germany, to Reagan's neutron bomb decision might suggest so; the Administration was bitterly criticized for its unilateral decision, for not having consulted its allies. But two factors put this in perspective. First, President Reagan's decision was deliberately, and unavoidably, exploited in the European campaign against the LRTNF program; it served those who have argued that the decision was a way to allow the United States to conduct nuclear

wars on European soil as additional evidence for their thesis. The procedure was not the central issue of the critique, but rather the substance.

Second, the experience with the LRTNF program has already been a thorny one for most European governments, and they are unlikely to want to repeat it. While it is possible that future West European governments will ask for a more defined responsibility in America's nuclear decisions, it is not very likely; more probably, they will want to return to the convenient position of supporting U.S. nuclear decisions without being accountable for them. This position accurately reflects the different nuclear status in the Western Alliance and also minimizes the political controversy surrounding nuclear issues in Europe. While it may not be sufficient as a durable formula for Alliance nuclear diplomacy in the future, it is at least politically acceptable in Europe.

The second special feature of the 1979 decision was its "two-track" nature: the military program should be pursued as far as necessary, and arms control negotiations as far as possible. But while the first track constituted the Alliance's first *multilateral* nuclear production decision, the second was put firmly in the context of *bilateral* Soviet-American talks and agreements. The reasons for this distinction are many: originally, that TNF negotiations should be firmly set in the context of SALT in order to avoid the impression of "decoupling" of theater from strategic deterrence, and, more recently, that a U.S. Administration reluctant to embark on SALT might be induced to do so through the back door of TNF negotiations. But in order to protect the deployment program and to ensure domestic political support for its implementation, European governments have had to have recourse to raising hopes for arms control—a matter which they do not control. We owe to the avowed skepticism of the Reagan Administration toward arms control that the built-in contradiction between multilateral arming and bilateral arms control has been brought into the open. It is an awkward one for European domestic, for East-West, and for West-West relations.

Domestically, it means that European governments which have obtained support for the first part of the December 1979 decision, under condition of the second, find that with the doubts over arms control the political support is waning. They can do little more than make appeals to the United States, which are the less effective since they are not dictated by a clear notion of arms control but by domestic political difficulties—and thus often appear tactical, not substantial.

In East-West relations, it means that European governments are the Achilles heel of the decision, and one which the Soviet Union quite legitimately will seek to exploit. The fact that Europeans control the deployment but not the negotiations means that the Soviet Union will use their anxieties in order to put pressure both on the European domestic debate and, indirectly, on the United States. It also means that the Soviets will be less pressed to make substantial concessions in the negotiations, as long as they can hope to delay the program's implementation without such concessions.

In West-West relations, it is a situation which is bound to create misgivings. European impatience over the slowness of arms control will all too readily be interpreted in the United States as a desire to renege on the deployment decision and as kowtowing to the Soviets—a picture-book example of “self-Finlandization.” Conversely, European governments will be pushed by their domestic dynamics to show that they are doing something and, if nothing much happens, European public opinion will be tempted to blame not the Soviets but the Americans for the lack of results.

It is true that the latter reactions would also have arisen if the procurement decision on LRTNF had been taken by the United States alone. The question is not, therefore, how these frustrations could be avoided but how they could be made politically less disruptive.

One answer, frequently heard in the Washington of the Reagan Administration, is that the fault lies in the “double track” nature of the decision itself: procurement should not be made conditional on arms control. I do not share that view, for reasons developed later in this article. But it is clearly a combination which requires more thoughtful presentation and management than has been provided by the governments that endorsed it in 1979.

Would the situation now be improved by a more direct participation of European governments in the negotiating process? The arguments against the wisdom of such participation are, on the surface, compelling: as long as only Soviet and American systems are involved, only Soviets and Americans control the substance of the negotiations, and only they will decide on the result; to include America's allies formally would not only bring the differences between them to bear on day-to-day negotiations but also contain the risk that European nuclear systems would be dragged into the process, against original intentions; the negotiations, already fraught with a good many complexities, would become even more complicated.

Yet these arguments leave major doubts. For one, there is the experience of the Vienna negotiations for Mutual and Balanced Force Reductions (MBFR). Here Europeans are involved, with their own forces, in a collective negotiation, and in spite of differences over timing, domestic pressures and attitudes to East-West détente the negotiations have shown a remarkable degree of cohesion within the Alliance, over an unprecedented period of time—now entering into their ninth year. The MBFR negotiations have also shown that the primarily bilateral issue of Soviet and American conventional force reductions can be addressed in a multilateral forum and that—through the device of a first (the superpower) and a second (the European) stage—inadvertent slippage from one negotiating area into another can be controlled. Moreover, that same experience indicates that political differences within the Western Alliance may be more effectively reduced when West European governments have a seat at the table than when they have not: it is not difficult to imagine a major domestic politicization resulting from the troop reduction talks had the protracted negotiations been of a purely bilateral Soviet-American character.

Why should the MBFR experience not also apply to the TNF negotiations? After all, nuclear questions *were* discussed in that context, too; Option 3 in NATO's negotiating stance offered reductions in American theater nuclear warheads in exchange for the withdrawal of Soviet tanks from East Germany. Both in MBFR and in the Helsinki process of the Conference on Security and Cooperation earlier fears that these multilateral gatherings might aggravate Atlantic dissonance were disproved; indeed, it seems to have been precisely the direct participation of West European delegates in these negotiations which led not only to highly effective Alliance coordination but also to the determination of all Western governments concerned to sort out their differences *in camera* and not in the public political arena.

There is a more profound political reason for this, not merely that of procedural dynamics. It lies in the basic European attitude to the military balance in Europe. By and large, the European instinct is that a balance exists as long as the United States remains committed to, and present in, Europe. Asymmetries in the strategic nuclear forces of both major powers have generally been viewed, for this reason, with much less concern in Europe than in the United States. Arms control, much of the rhetoric notwithstanding, has for European elites generally been less important for its (so often disappointing) results than for its political symbolism of tying the United States and Europe to the pursuit

of a cooperative *modus vivendi* with the Soviet Union, and the Soviet Union to greater respect for the interests of the Western Alliance as a whole, including Europe. For Europeans, this is the “bargain” in arms control, not precise force limitations or reductions.³ Full participation in negotiations, whether on conventional or on nuclear forces in Europe, responds to this approach.⁴ If those concerned are tied both into the discipline of the negotiations and the responsibility for the outcome, the basic political objective would be met more effectively and more harmoniously. By contrast, the halfway house of LRTNF—European participation in the procurement but not in the negotiation—is a recipe for major difficulties in the pursuit of both.

v

Rarely has a NATO decision been as carefully prepared to assure political support during its implementation as that taken by the Council of Ministers in December 1979.⁵ Yet within only a short time the consensus achieved has become shaky, to the extent that it cannot be foreseen with certainty whether the program will be implemented. What makes this even more surprising is the fact that the NATO position should, in theory at least, be strengthened by the continuing Soviet buildup. Why has it come to this?

Two reasons have been suggested above: the agony that direct European involvement in nuclear production decisions arouses, and the lack of direct European involvement in preparation of the arms control aspects. Yet there are three additional reasons why this particular program has run into trouble.

The first is that it was announced at a time of deteriorating Soviet-American relations. Only two weeks after the NATO ministers signed their communiqué, Soviet forces marched into Afghanistan, and the United States, having failed to develop the means for an effective regional response, decided instead to bring home to the Soviet Union its profound concern by putting bilateral *détente* on ice.

The European political reaction was predictable. European public opinion in 1979 feared for the consequences in the European region itself of the deterioration between the superpowers

³ See Philip Windsor, “West Germany and the Alliance,” *Adelphi Paper* No. 170, Winter 1981.

⁴ David Owen’s suggestion in *Survival*, May–June 1980, p. 122, to include West Germany in the talks is incomplete but goes in the right direction.

⁵ For a full account of these preparations see David D. Elliot, “Decision in Brussels,” April 1981, unpublished manuscript available from the author at the California Institute of Technology.

and tended to play down the significance of Afghanistan. It fitted badly with this instinctive reaction that, at the same time, they were involved in the first major nuclear modernization program since the early 1960s.

A traditional European attitude to superpower détente was thus manifested anew. Europeans are worried if Soviet-American relations are progressing smoothly lest this imply a “deal over our heads”; only 12 months before the 1979 decision many European governments had been concerned, for instance, that some of the provisions of the emerging SALT II agreement could harm their military options. Yet they are even more worried if Soviet-American relations are in difficulties and understandably so: the effects are felt most directly in Europe. Their impulse, then, is often not to rally to the Western against the Eastern superpower but to resent both as spoilers of European détente.

Moreover, this sentiment was strengthened both by frustration over Mr. Carter’s inconsistencies and later by uneasiness over Mr. Reagan’s pronouncements—to the point of reviving, in the political and in the public mood, the old “Europe for the Europeans” dream. The unfortunate presentation of Presidential Directive 59, together with the apparently irrepressible enthusiasm of some American nuclear theoreticians for elaborate options for limited nuclear exchanges, combined with and rationalized this resentment.⁶ In the simplification of European concerns, doubts over the United States acquired a new and disturbing respectability: was the alliance with a United States apparently bent on acquiring military superiority, on fighting limited nuclear wars and on delaying arms control, still an asset or, on the contrary, was it becoming a liability for Europe? These doubts could not but render that most visible symbol of the Alliance, nuclear weapons in Europe, even more controversial.

The second and related reason for the weakening of the 1979 consensus lies in the intensity of the Soviet reaction and the clear Soviet willingness to go to considerable lengths to stop the TNF program, through political interference in the Western and particularly in the West German debate. In retrospect, there can be little doubt that NATO treated the question of Soviet reactions less than adequately when it prepared the program. Perhaps a more careful assessment of Soviet nuclear thinking and likely responses would have led to a different emphasis in the TNF program (e.g.,

⁶ President Carter’s Directive on U.S. strategic doctrine of August 1980 was leaked to the press as a major new stance of toughness vis-à-vis the Soviet Union, implying the actual use of nuclear weapons, rather than as a doctrine of deterrence. See *Strategic Survey* 1980/81, p. 44.

on cruise missiles alone rather than including the ambiguous Pershing II as well) and to its presentation (less on the SS-20 threat than on the need to make NATO nuclear forces less vulnerable to the whole gamut of Soviet preemptive capabilities). As it is, the long-range capabilities of the new systems are presented, and perhaps actually perceived, by the Soviets as a strategic not a theater threat, which either has to be prevented by a cancellation of the Western program or, if that is not successful, by a strategic response. NATO's opportunistic stance of justifying its own program by the growth of the Soviet SS-20 arsenal means that the program is politically vulnerable to Soviet offers of a moratorium: if tomorrow the Soviet Union declared that it has stopped all SS-20 procurement and would only take it up again if and as NATO systems are being deployed, the political support for the TNF program could be in considerable trouble.

The third reason lies, paradoxically, in the novelty of the TNF decision, namely to link the go-ahead for the production of the new weapons to an offer to negotiate their limitation. This link had been designed not least in order to assure political support in Europe for the program, to make it more palatable for the latent nuclear allergies. The combination of announced (but not completed) production plans and an offer of arms control negotiations is in itself a promising model, since it avoids the familiar obstacle to arms control that the weapons programs which one wants to constrain are usually completed before the negotiations. (Imagine how much better the situation might be today if the Soviet Union, before embarking on its earlier massive nuclear modernization program, had adopted a similar stance!)

And yet, the net effect of the particular combination chosen by NATO has not been to secure European public support for the program but to make its implementation more doubtful. The mistake lies not in the combination itself, but in an ambiguity for which European governments have to take most of the blame. It was they who have repeatedly insisted that, theoretically at least, arms control could lead to agreements which would render unnecessary the deployment of a single new American missile in Europe (the so-called zero solution). The result has been predictable: arms control, in much of the European debate, is seen no longer in parallel to the deployment but as its alternative; even more, deployment has become, for much of the critical European public, counterproductive to arms control.

The eagerness of European governments to make the deployment decision politically more palatable has thus made it more,

not less, controversial. Raising what serious observers regard as totally unrealistic hopes for a "zero solution" through arms control has deprived the military arguments for the TNF program of much of their credibility. It would have been better, both in the interest of credibility and of getting the Soviets to make serious concessions, to announce the minimum number of forces required and to make the extent of the program beyond that conditional on *Soviet* restraint. Instead, all of the Western program has been made to seem conditional on *Western* proof that the West—and not the East—is serious about arms control.

All this does not mean that the TNF modernization will not take place. Contrary to the agitation of the debate, there remains instinctive majority support in all the major West European countries for responding to the threat caused by Soviet nuclear forces. But it does mean that more is now needed to assure implementation than was thought necessary in 1979.

For one, it is no longer sufficient to base the modernization of Western TNF on the Soviet SS-20 program alone. Instead, it will have to be squarely based on precise Western military needs, and this implies both a fuller and a more balanced presentation of the threat.⁷ Such a presentation should rightly point to the whole range of Soviet delivery systems that threaten the survival of nuclear missiles in Western Europe, not just the SS-20 missiles and the Backfire bomber but the modernized shorter range missiles as well—the SS-21, -22 and -23—that the Soviet Union is now beginning to deploy.

Second, and most important, it must be made clear that the new weapons are an additional means of deterring, not of fighting, a war, and that notions of limiting a nuclear conflict to Europe are without foundation. For any democratic society to consent that its security be based on nuclear weapons requires clear assurance that these weapons will not be used except in extremis. To pretend, as much of the American expert (and occasionally official) debate on limited nuclear options and nuclear warfighting suggests, that nuclear weapons are in fact usable and that nuclear exchanges can be kept limited and controlled is not only technically highly doubtful given the uncertainties of command and control on which such limitability would have to rely:⁸ it is also dangerously apolitical since it forgets that no strategic doctrine

⁷ The International Institute of Strategic Studies (IISS) has attempted to do this in a special section of its annual *Military Balance* since 1979.

⁸ See Desmond Ball, "Can Nuclear War Be Controlled?", *Adelphi Paper* No. 169, London: International Institute of Strategic Studies, 1981.

can endure in a democratic society which frightens its own citizens at least as much as leaders of the opposing camp. To make the nuclear weapons of the LRTNF program politically acceptable, deterrence itself has to be made credible again as a valid concept and not one that is indistinguishable from fighting with nuclear weapons.

Third, there will have to be visible progress toward arms control. The start of substantive Soviet-American negotiations on limiting theater nuclear forces, slated for late November 1981, will take some of the pressure off beleaguered European politicians for some time. But more is needed than gaining some time. Even assuming that the first of the U.S. LRTNF systems will be deployed on schedule, i.e., by late 1983, the full program will not be completed before the late 1980s. Political support needs to be maintained not for a mere few months but for a matter of years. What will be needed is either indisputable evidence that the United States as the West's negotiator has done everything to reach agreement and that the Soviets have obstructed this—and that can never be proven to everyone's satisfaction—or an agreement which, by defining mutual limitations, also defines the extent to which the 1979 decision should be implemented.

VI

As serious arms control negotiations get underway, the United States and NATO as a whole must, of course, play the hand as it lies. It may be possible over time to work out interallied procedures that evolve in the direction of those followed in the MBFR negotiations, but to attempt to revise the format at any early stage would probably lead to delays that are unacceptable from every standpoint. Similarly, whatever one may conclude in hindsight about the wisdom of the Pershing II element in the deployment program, it must be pursued with all possible vigor unless and until some agreement is reached that produces equivalent Soviet concessions. Any major or early change in procedure or substance could lead to an unraveling of the program as a whole and to grave political consequences for the Alliance.

Similarly, political reality alone argues against over-ambitious arms control concepts, and with special force against any temptation to present to the Soviet Union proposals for dramatic reduction on a "take it or leave it" basis. Given the doubts that still remain in key NATO countries about the Reagan Administration's sincerity in seeking arms control, any such approach would only fuel public controversy in Europe.

In the longer run, it would undoubtedly be desirable that agreements should lead to a nuclear force relationship in Europe which effectively excludes the option of a preemptive strike, such as replacing ballistic delivery systems by cruise missiles on both sides; but this is unlikely to be attainable in the near future. Likewise, one would wish that agreements would regulate the whole range of nuclear systems threatening the survival of nuclear delivery systems on each side, including the SS-21, SS-22 and SS-23, and not only the long-range varieties. Neither of these controls, however, can realistically be expected—at least not in the first round.

Again, it would be logical to link LRTNF to agreements on strategic arms limitations, in such a way as to include all systems that constitute a strategic threat to either of the major powers or their allies.⁹ But this is scarcely practical within the constraints of time and politics that determine the TNF and the SALT issues. An agreement that is realistic will not be ideal.

What then should be the elements of a realistic approach to TNF arms control?¹⁰

First, the West is right to insist that negotiations, at least initially, deal with longer-range missile systems alone. To include shorter-range systems, or to accept the Soviet request for an “organic” link with forward-based systems, would amount to delaying agreement. While clearly these weapon systems have to be taken into account in formulating the negotiating position, and might be considered specifically at a later stage, they should not be the subject of the negotiations in the first phase.

Second, the aim should be an equal numerical ceiling, and the “unit of account” should be warheads on missiles deployed, not launchers. To concentrate on launchers would, in the short run, favor the Soviet Union, but in the longer run would encourage the West to seek ways to proliferate the number of warheads in NATO systems.

Third, the Soviet SS-4 and SS-5 missiles would either have to be disbanded or put under a composite ceiling on the Eastern side which would also imply a higher ceiling for Western LRTNF. The first of these alternatives is clearly preferable, and it will be difficult for the Soviet Union to argue both that the SS-20 is

⁹ This was suggested originally by West German sources and discussed further in Lawrence Freedman, “The Dilemma of Theatre Nuclear Arms Control,” *Survival*, January–February 1981, pp. 2–10.

¹⁰ For much of the following discussion in this section I am indebted to Lynn Davis, “A Proposal for TNF Arms Control,” in *Survival*, November–December 1981, pp. 242–246.

merely a modern replacement of the older systems *and* that they must be retained.

Fourth, the West should seek a prohibition of new medium-range systems on both sides, beyond the current modernization. This might also, if agreed, provide some kind of a barrier against the upgrading of range capabilities in other, formerly short-range systems; such as the Soviet Frog, Scud and Scaleboard missiles that are currently being upgraded.

Fifth, there should be an attempt to formulate major principles of nuclear balance in Europe which might apply beyond the LRTNF systems to other theater nuclear vehicles. The West must clearly be concerned that if it agrees to limitations on LRTNF, it will, due to the political controversy aroused by nuclear modernization in Europe, have few other bargaining chips to encourage restraint in the modernization of shorter range Soviet systems. And the Soviet Union has already emphasized that U.S. forward-based systems (nuclear delivery systems capable of reaching Soviet territory from supporting points in and around Europe) should be "organically linked" to the negotiations. Perhaps there is a chance to profit from the obvious Soviet concern over the new missiles to push the negotiations beyond the mere regulation of the existing balance to an understanding on the rules which should govern it in the future.

Two important obstacles remain. The first is that of verification. The dilemma which modern arms control has increasingly been forced to address—that less and less of what is militarily relevant can be adequately verified—is even more acute in the case of theater nuclear forces, with their multiple-range and multiple-purpose systems, their small system sizes and considerable mobility. The West, and particularly the United States where verifiability has become a dogma of arms control, will have to face the choice between agreements that restrict the weapons of concern but with less than assured verifiability, and agreements which, while verifiable, can cover only a section of those weapon systems which determine the theater nuclear balance. This choice might be made less sharp with the help of "associated measures" to assist the monitoring of agreements, but it will not disappear.

The second obstacle is that of political will, the readiness on both sides to make concessions for the sake of an honorable agreement. The West seems disposed to go in this direction. But how will the Soviets respond? Soviet behavior over the past two years suggests that there is indeed profound concern over the Western program; once it becomes clear that that program cannot

be successfully torpedoed politically, the Soviets are likely to be willing to accept some restrictions on their own efforts in exchange for restrictions on the Western one.

The difficulty will lie in making precisely this clear to the Soviet leadership, when the continuing controversy surrounding the LRTNF program in Europe might give rise to hopes in Moscow that a *de facto* Western restriction—the collapse of the 1979 decision—might be had without restrictions on the Soviet effort. The temptation will be there for the Soviet Union to use the negotiations in order to delay the deployment of the Western systems, not in order to reach agreement. The anti-nuclear forces in Europe are, in this respect, also anti-arms control forces: the more effective their opposition to the LRTNF program, the bleaker the prospects for agreement.

It is doubtful if the Soviet temptation to delay agreement can be overcome unless a number of factors combine. It will need, first, on the part of European governments, a more confident and informative campaign to rally support around the TNF program than they have generally displayed to date; it will no longer be enough merely to react to Soviet proposals, or to point to the number of SS-20 missiles deployed against Europe. It will require, second, that the commitment of the United States to arms control in general and to TNF limitations in particular become credible to European public opinion and to Soviet leaders alike. And third, it may have to involve a readiness, by the United States, to make the TNF negotiations a test case for nuclear arms control. This might be done, for example, by suggesting that successful talks could affect weapons systems beyond the LRTNF definition—such as the sea-launched cruise missiles envisaged by the Reagan Administration—or that a failure of the TNF talks would negatively affect the future of SALT. Soviet delaying techniques would then not only risk making agreement on theater nuclear forces difficult, but also darken the prospect for negotiations on strategic nuclear weapons, which are likely to be the more important objective for Soviet diplomacy in the 1980s.

VII

NATO's 1979 decision on LRTNF procurement and arms control is neither the first nor will it be the last time that nuclear issues have to be addressed by the Western Alliance. It provides both the latest and probably the most penetrating lessons of how to deal with these issues. What are these lessons?

First, and most important, do not try to solve political problems

within the Alliance by nuclear remedies. Nuclear weapons are simply too terrifying a symbol for Alliance cohesion; for maximum acceptability, they should be assumed but not seen. Moreover, the malaise within the Alliance is rarely one that nuclear weapons programs can cure; if the past 30 years are any guide, then malaise springs from European uncertainty not over America's military strength but over her political willingness to exercise it for the sake of Europe. Finally, nuclear programs require a lead, and implementation, time which exceeds that of political cycles: they cannot be realized fast enough to allay a low in Alliance trust, and they are still around when Alliance political relations require other than nuclear medication.

Second, do not overload the European political process by asking from it more than it can sustain. The nuclear allergy will remain a factor in European politics for the foreseeable future. Non-nuclear states are, by definition, more sensitive to this allergy than those which have a tradition of nuclear weapons. European governments should not, therefore, be asked to share in any procurement decision for U.S. nuclear weapons in the future, although their agreement to deployment on their soil remains essential. If, however, that rule is neglected—as in the 1979 LRTNF decision—then European participation needs to go beyond the responsibility for procurement and include direct involvement in negotiations for the control of nuclear arms.

Third, take care how you present the case for nuclear weapons. The only basis on which those who must fear that they will be obliterated by nuclear war can tolerate nuclear weapons is as an essential means of deterrence. Talk about “nuclear warfighting” and limited nuclear war is not only highly doubtful in its strategic assessment; it is also profoundly and disturbingly ignorant of the need, in democracies, to find and maintain support for the policies of security. This applies to the Alliance countries as a whole; while the phenomenon is, at present, most articulate in the protestant North of Europe, it is by no means absent from other Alliance societies, including the protestant North of America. There is a high political price for talking about nuclear weapons as if they were merely a more powerful type of conventional explosive.

Fourth, take care how you plan the use of nuclear weapons. This is not just a matter of presentation, but very much of substantive policy. The uncritical way in which Western, and particularly American, strategists have welcomed more and more limited options for nuclear use may, in a strategic sense, be an affordable luxury; in a political sense, it is an unaffordable

liability. It is clear that some options beyond that of the secure second-strike capability continue to be required. But it is a failure of the strategic community that, to date, it has been unable to define how many are enough. The option for a limited first strike with nuclear weapons remains essential for effective deterrence in Europe. But this very fact makes it even more necessary to make clear that this is not an option for “nuclear warfighting,” but an aid to deterrence. Two consequences follow from this. One, that nuclear weapons do not provide an effective remedy for conventional military weakness—a banality by now but one that is still insufficiently recognized in NATO’s conventional military posture. The other, that the Alliance should pay maximum attention to crisis stability in its nuclear posture; battlefield nuclear weapons which, if used at all, have to be released in the fog of war are much less suitable for this task than are mobile LRTNF stationed in the rear of the theater.

Fifth, resist the temptation to engage in precise nuclear doctrines. The more precise the doctrine, the more controversial nuclear weapons for extended deterrence become. For the United States precision implies an unacceptable automaticity of nuclear response; for Europe it implies the combination of two concerns—that of “decoupling” the United States from NATO Europe and that of “nuclear warfighting.” An American nuclear doctrine which emphasizes endurance and suggests limited nuclear conflicts cannot but undermine European political support for nuclear weapons in Europe and, with it, for the Alliance.

Sixth, and last, respect that the search for arms control is the necessary companion of nuclear deterrence. The fear of an uncontrollable arms race is a deep-rooted one in all our societies, and it will not be dismissed merely by pointing out that the other side is moving ahead. Once deterrence and balance are seen as a danger to rather than a condition for peace, as is the case in much of the European “Peace Movement,” even the most persuasive military arguments become mute. The credible search for addressing the dangers of uncontrollable arms competition is thus an essential corollary of prudent deterrence.

VIII

But how far into the future will these lessons be relevant? It was argued at the beginning of this article that the political problem of extended deterrence began when the age of geographic deterrence identity between the United States and Europe came to an end. Since then, many of the political implications of theater

nuclear forces have been due to their technical distinctiveness, which in turn led to the definition, however inadequately, of nuclear balances distinct from the overall strategic balance.

That period too is now coming to an end. The cruise missiles on B-52 bombers may be classified as "strategic," but they are not substantially different from those to be launched from European soil and classified as "theater" weapons. As William Kincade has put it: "Cumulative technological innovation is ushering out the era dominated by large limited-mission strategic systems. . . . Alongside improved models of these behemoths will be smaller, more flexible, more interchangeable and faster weapons with greater firepower and more supple control mechanisms."¹¹ In other words, technological distinctiveness will soon be a thing of the past, technological flexibility the theme of the future.

It is too early to be sure about the implications for political cohesion and nuclear issues in the Alliance. One desirable possibility would be that the disappearance of weapons distinctions will again reunite the European and the North American continents into one strategic zone, where deterrence functions irrespective of geographical distances.

But there is also another, more daunting possibility. A Europe that continues to depend on the readiness of the United States to fire nuclear weapons first could make demands on the United States which in the strategic conditions of the 1990s may not be satisfied. To quote Kincade again: "Americans will have to accustom themselves to the kind of insecurity their West European allies have long lived with, their survival dependent on decisions made in distant capitals, and possessing no immunity from nuclear weapons effects."¹²

Unless Europeans can show that their reliance on nuclear weapons is not merely the consequence of insufficient conventional military efforts of their own, will they then still be regarded as a tolerable risk by their American ally?

¹¹ "Over the Technological Horizon," *Daedalus*, Winter 1981, p. 122.

¹² *Ibid.*, p. 125.

Stanley Hoffmann

NATO AND NUCLEAR WEAPONS: REASONS AND UNREASON

The history of the Atlantic Alliance is a history of crises. But we must distinguish between the routine difficulties engendered by Western Europe's dependence on the United States for its security, as well as by the economic interdependence of the allies, and major breakdowns or misunderstandings which reveal not simply an inevitable divergence of interests but dramatically different views of the world and priorities. At the present time, complaints from West European leaders about the effects of high American interest rates on their economies, or about President Reagan's skeptical approach to North-South economic issues, belong in the first category. The current controversy in Europe over nuclear weapons belongs in the second, and now confronts the Alliance with one of its most dangerous tests.

On its face, that controversy revolves around NATO's double decision of December 1979 to deploy by 1983 new long-range nuclear forces in the European theater and to enter into arms control negotiations with the Soviets about such forces. It does not yet pit allied governments against our own. But the widespread West European popular movement opposed to the new deployments indicates both the existence in several nations of a broad politically destabilizing gap between government and a sizable, mobilized section of the public, and a growing divorce of feelings and perceptions between the two sides of the Atlantic. Far more than technical questions of deterrence and strategy is at stake; these serve primarily as symptoms of fundamental issues.

II

The present popular movement in Western Europe is not the first of its kind. A vigorous campaign for nuclear disarmament attracted many Britons in the early 1960s; and we should not forget the strong opposition in West Germany to the development

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of nuclear energy in recent years. Nor is the current agitation evenly strong; the demonstration that took place in Paris on October 25 was organized and dominated by the Communist Party and one of its front organizations, and while the Rome demonstration on that same day went beyond the orbit of the Italian Communist Party and labor union, it did not offer the same agglomeration of forces as in the northern part of the continent.

Nevertheless, the current movement is new and formidable in several respects. It is a mass movement of continental dimension, which mobilizes and moves people across borders—something quite exceptional even in the partly integrated Western Europe of today. It entails the active participation of women and of a large number of religious movements and churches—predominantly but not exclusively Protestant—in countries where they have rarely taken part in big rallies. It is particularly strong in the country that has been, until now, the most reliable partner of the United States on the continent and the linchpin of NATO strategy: the Federal Republic of Germany. While it brings together people from a variety of parties, particularly in the Netherlands and Scandinavia, and is often led by well-known priests, intellectuals or politicians, the movement is largely a gathering of young people, a generational protest—the first since 1968. Above all, like the May 1968 movement in France, it is, in de Gaulle's word, "*insaisissable*"—beyond grasp—for it represents a convergence of different concerns, fears and aspirations on a single issue, and offers more emotion and passion than hard-headed analysis. Hence the difficulty of finding an appropriate adjective that would define it.

Some—for instance those on the left wing of the British Labour Party—argue for the complete denuclearization of Europe and for unilateral action toward that goal; others want mutual arms reductions to be negotiated between Washington and Moscow. Some remain committed to NATO, minus the December 1979 decision; others dream of a neutral Europe. Many denounce both superpowers, described as brainless monsters, and attack the "policy of blocs" which keeps Europe divided and dependent; others concentrate their fire on the United States alone. Most seem to fear nuclear war above all; yet many are also moved by indignation about what they feel to be a mistaken emphasis on military approaches to international problems, and the excessive costs of defense at a time of high unemployment, cuts in social services, and sometimes—as in England—severe industrial de-

pression. Some are members of political parties, highly politicized and expert at manipulation. But many are almost defiantly un- or anti-political, in quest of a "concrete utopia," or convinced that in a world in which traditional power politics has failed to bring lasting peace or to remove the threat of nuclear destruction, spectacular gestures of renunciation could prove contagious; they believe that examples of self-abnegation, even by small nations, could shame the superpowers into respect or imitation. In the German movement, many are inspired by a determination to repudiate any form of policy that smacks of Germany's past—hence any reliance on force as a key instrument—and seek an identity that would be pure and blameless; others seem moved by a more resentful or ambitious nationalism.

III

Why has this complex movement arisen over the issue of long-range theater nuclear forces? Two questions are involved: why now? and why does it focus on this point?

There are profound differences between the mood of the late 1950s, when peace movements flourished in various places, and that of the present. Then, paradoxically, there was both general confidence in American nuclear superiority (hence relatively low fear of nuclear war) and general agreement that the Soviets were the bullies threatening to disrupt the peace in Europe. This was the era of the Berlin crises: what was feared in West Germany—and in West Berlin, whose mayor was Willy Brandt—was American softness. Now we find the opposite mix. There are serious doubts about the U.S. promise to preserve West European security through extended nuclear deterrence. In an age of nuclear parity, Washington seems unlikely to risk America's survival for the protection of Europe, despite ritual official reassurances. Given the new properties of nuclear weapons such as accuracy and mobility, nuclear strategy seems to point to war-fighting, as deterrence through the threat of massive city-busting is no longer wholly credible, and deterrence through the threat of a first strike against Soviet forces appears eroded by the loss of American superiority.

The West European view of the Soviet Union has furthermore been transformed, mellowed by the experience of the *détente* years and affected by the spectacle of Soviet embarrassment in Eastern Europe. In particular, the Polish "example" has had an enormous effect. The spectacle of a nationwide grass roots movement restoring freedom, of workers rebelling against a stale bureaucracy and

insisting on their rights and dignity, of a relatively small and weak country resisting a superpower and—so far—detering the Red Army, has instilled in many Continental young people a feeling of pride—as Europeans—and not a little envy.

To these general factors, one must add some that apply particularly to the Federal Republic. A new generation with no experience of European crises—the invasion of Czechoslovakia was 13 years ago—has appeared, marked by deep revulsion against both Germany's past and Germany's present. In its view the older generation had been either too busy trying to build a new honorable society or too eager to forget about a dishonorable past—too sure of its own virtue, insofar as its members had been anti-Nazis, or too guilty to want to spend much time looking backward. Now, their sons and daughters ask questions about the bloody history of united Germany, reawaken the nagging issue of German identity and, rather romantically, seem tempted by the notion of a new mission for Germany as the harbinger of peace and emancipation for all of Europe.

Moreover, many of Germany's young people have been taught, in school or at the university, about the evils of postwar West German society—hucksterism, materialism, consumerism, conspicuous displays of wealth, etc.; even those who were educated in areas where the Marxist or New Left does not dominate classrooms find the same themes on the screens of movie houses or television, and in the novels of the Republic's best known writers.

Finally, many West Germans seem to have parted from, and even discarded, the "American model." America-as-the-example, a notion that was still prevalent in the late 1950s and early 1960s, has been replaced, if not with America-the-menace (although there are clearly some elements of this), at least with a sorry picture of the United States, soiled by Vietnam and by domestic violence, by ethnic strife and widespread electoral abstentionism, and by a bizarre mix of militarism in policy and a complacent refusal to institute a draft.

Thus we encounter the first of many paradoxes. Instead of believing that the United States provides security and that the U.S.S.R. breeds insecurity, many young Europeans now feel the opposite. Insofar as they still understand that insecurity might come from the East, they react in a direction contrary to that of the United States. Here, the public mood, expressed by the election of President Reagan and by the new Congress, is one of restoring America's strength; in Western Europe, the public mood is one of fearing war, of believing that the accumulation of

weapons can only lead to war, and of wanting the superpowers to deal with their differences in other ways, less dangerous to mankind. Hence the emphasis—by the governments themselves—on negotiations with the East, and the temptation—of the public—by various forms of escapism, from denuclearized zones to neutrality. The dramas of the 1970s have affected Americans and Europeans differently. Americans seem to want to “stop being pushed around” in the world and to turn to fundamentalist means for economic recovery: private enterprise and a reduced role for the state. West Europeans concentrate on their domestic troubles and, whatever their government’s political orientation, rely on state initiatives and a mixed economy.

In recent years Americans and West Europeans, even at the official level, have diverged on three essential issues. Americans, in their relations with Moscow, have reverted to a view and to a policy in which hostility predominates; West Europeans have benefited from, and want to preserve, a mixed relationship. Americans, seeing a worldwide Soviet challenge, have nudged their allies toward a global alliance; the West Europeans have insisted on the geographical limitations of the Atlantic Alliance and resented Washington’s attempts to present El Salvador as a test of Alliance solidarity, or to look at North-South issues from a cold war angle, or to give, in the Middle East, precedence to weaponry over diplomacy. Americans are convinced that the central problem of the age is the containment of Soviet imperialism, and that the military dangers posed by the U.S.S.R. are in many ways compounded by the huge weaknesses of the Soviet polity; West Europeans see these dangers, but think they are reduced, offset, or neutralized by those weaknesses, and by Soviet entanglements in Afghanistan and Poland.¹

IV

Against this background it is not hard to see why the controversy has come to focus on the issue of long-range theater nuclear forces. The NATO decisions of December 1979 were “rolling” decisions, calling for future deployments and arms control negotiations. Although the intergovernmental consultations that led to the decision were careful and prolonged, the public in the key West European countries was never truly engaged. There was no great debate in advance, and, in the atmosphere described above, it can

¹ For further elaboration see my analysis in “The Western Alliance: Drift or Harmony?” *International Security*, Fall 1981, pp. 105–25.

now be seen as almost inevitable that controversy would come to focus on this issue. For there was a long history of interallied disagreements on strategy, especially with respect to nuclear weapons in NATO.²

There was, in the first place, never any agreement on the military function of theater nuclear forces in NATO's strategy. Throughout the 1960s, the Americans wanted NATO to increase its conventional forces as the best way of deterring a Soviet attack, or rather as the best way of giving plausibility to the strategic nuclear guarantee of the United States. They argued for a firebreak between a conventional and a theater nuclear conflict, and looked at NATO's theater nuclear weapons mainly as a deterrent against a Soviet use of theater nuclear forces, plus as a last resort should conventional defense falter. But the Europeans would have preferred the threat of an early first use of NATO's theater nuclear forces, in order to make it impossible for the Soviets ever to believe that they could start and fight a purely conventional war in Europe. The "flexible response" strategy formally adopted in 1967 was a compromise that resolved nothing.

It followed, secondly, that there was never any agreement on the kinds and amounts of theater nuclear forces required. If their function is primarily to demonstrate America's commitment and to contribute to the deterrence of Soviet aggression, there is no need to match the Soviet capabilities in kind. Indeed, Soviet theater capabilities—the new SS-20 medium-range missile and the Backfire bomber—can be offset by U.S. strategic forces. The West Europeans have always tended to believe that "escalation matching"—the ability to confront the Soviets at every level with weapons as capable as their own, so as to deter them from escalating to a level at which they have an advantage—deters less than strategies that threaten the early initiation and uncontrollable escalation of nuclear war.

Third, the NATO decision of December 1979—calling for new medium-range missile deployments inferior in numbers to those of the Soviets—seemed to lack any operational rationale. Was it, as some American officials have imprudently suggested, aimed at replying to (although not matching) the SS-20, and at saving the United States from having to resort to its central strategic forces in case of a Soviet use of the SS-20? This is a view heatedly rejected by West European supporters of the December 1979 decision, both because it feeds the protesters' suspicions about

² The analysis of noncentral nuclear forces that follows is largely drawn from a forthcoming study on U.S. security and the future of arms control by the Carnegie Endowment.

America's willingness to risk its own territory on behalf of Europe and because they fear that any attempt to establish a kind of tit-for-tat balance on the Continent would indeed have the effect of "decoupling" U.S. strategic forces from the European theater. Is, then, the rationale the reestablishment of the link between European security and the central systems, a link weakened by recent Soviet deployments? But if this is the purpose—a restoration of deterrence—are vulnerable Pershing II missiles and less vulnerable but difficult to disperse ground-launched cruise missiles the best instruments? Or is the rationale primarily to provide NATO with a bargaining chip for negotiations?

Finally, there is no agreement among the allies on the arms control aspects of the decision. While the decision does not subordinate the deployments to a failure of the negotiations, one must expect resistance to the deployments to increase if there appears to be some hope left for a deal that would allow for more limited deployments, or even for none at all, on the Western side.

Unlike the Multilateral Force (MLF) project, which attempted in the early 1960s to create a nuclear force manned on an integrated basis by several NATO nations, the December 1979 decision was not an attempt to give a military answer to a political problem; it tried to give a military *and* a political answer to a military problem. But given the uncertainties of nuclear strategy and the various theologies about it, there was no agreement either on the true significance and dimension of the problem created by the Soviets, or on the right answer. Given the sensitive nature of the issue, it was absurd to believe that the decision would put an end to anguish.

Clearly, the present debate is but the latest manifestation of the permanent West European fear of becoming a war zone. If the United States, by refusing to risk its homeland in the event of a Soviet attack on Western Europe, "decouples" because of its loss of nuclear superiority or for any other reason, such as NATO's present inability to strike the western part of the Soviet Union, Western Europe could be left to the mercy of the Soviets, or destroyed in a conventional or limited nuclear war. Yet if the United States takes measures which are seen to be recoupling, and assumes, for instance, that the Soviets would not distinguish between an American missile striking them from Western Europe and an American missile hitting them from the high seas or from U.S. territory, Western Europe still cannot be sure that Washington will actually use its nuclear weapons, since Americans retain final control over their use. Moreover, if the superpowers are

heading toward a global war, would recoupling make much difference anyway?

It is awareness—dim or blinding—of these points which explains the psychological contradictions and contortions of the European protest movement. People who are in an impossible position, or in a position in which the only good outcome—peace—seems increasingly unlikely, tend to react with a mix of illusions, resentments, and inconsistencies, because the grammar of emotions has nothing to do with the logic of the mind. Remember the ways in which Frenchmen, eager for peace and convinced that another war would destroy their country, reacted to the Nazi threat in the 1930s (a comparison made here because of the psychological, not political, parallels). There are Europeans who refuse to believe that the SS-20 is more than just a modernized version of older Soviet missiles, or to accept the notion of possible Soviet military superiority, or to admit that the Soviets could militarily exploit any superiority they have, yet who are quite willing to believe that the United States can no longer deter a Soviet attack because it has lost *its* superiority. We Americans have done too good a job, in recent years, of stressing our relative decline, and—as Henry Kissinger did in Brussels in 1979—our inability to provide extended deterrence any longer. In the United States, the perception of decline has led to a renewed and often indiscriminate will to arm, but in Europe it has encouraged doubts about America and wishful thinking about the potential Soviet threat.

One finds also, among the protesters, a desire for plausible deterrence (since only successful deterrence makes any sense), yet simultaneously the fear that no form of deterrence is fully plausible anymore. One finds suspicion of American strategic moves and a new determination to resist them, insofar as they seem to indicate a shift from a deterrence to a war-fighting strategy. The protesters see an alarming pattern in President Carter's Presidential Directive 59, with its emphasis on targeting Soviet offensive forces, and President Reagan's decisions to proceed with production of the neutron bomb and to deploy the new MX intercontinental ballistic missile (ICBM) and the Pershing II medium-range missile, both of which are formidable first-strike weapons and, given their vulnerability, an invitation to Soviet preemptive attack.

Yet one also finds the conviction that the defense of Europe and the neutralization of any Soviet threat against it will always remain an essential American interest, whatever the allies might do and however hard they may kick their protector. One finds a conviction that even if the Soviets are stronger in some areas, they

cannot transform military superiority into political advantages (Tito's Yugoslavia, Ceaușescu's Romania, a free Finland, and now a reborn Poland have survived), but little understanding of why. In fact, the reason for the limits on Soviet influence has been West European-American solidarity, and a break between the two sides of the Atlantic would leave the West Europeans dangerously exposed. One finds, most dangerously, a tendency to blame the protector as the real source of trouble (conversely, in the summer of 1938, many Frenchmen blamed their protégé, Beneš' Czechoslovakia, for creating difficulties with Hitler) and to seek an escape hatch by putting excessive hopes in arms control or even in unilateral restraint. Just because peace is the only sane and sensible goal, must a form of pacifism be the only reaction of young Europeans to the shifts in the nuclear balance and in the international political climate?

v

We have seen, in the history of the Alliance, several examples of crises created by Europe's defense problems. In two cases, the United States retreated: Lyndon Johnson over the MLF, Jimmy Carter over the neutron bomb. In another case, the pursuit of an increasingly hopeless course led to a crash, fortunately followed by a rescue operation: the collapse of the European Defense Community in 1954 followed by the decision to rearm West Germany within NATO. These are not happy precedents.

There can be, in the near future, no retreat from NATO's decision. Unlike earlier procurement decisions, as Christoph Bertram shows elsewhere in this issue, this one was collective, and even if the Belgian and Dutch governments find themselves unwilling or unable to enforce it, Britain (except in the improbable case of a return of the Labour Party to power), Italy and West Germany will try to stick to it. Although the present West German government risks collapse should the Social Democratic Party (SPD) repudiate its ministers, or should domestic issues become divisive, a successor government formed by the Christian Democrats would be even more committed to the NATO decision. Also, any retreat now would pull the rug from under the arms control negotiations.

The real threat, then, lies below the official level, in the relations between governments and their publics. Governments may find themselves unable to confirm a tentative commitment (as in the cases of Belgium and Holland), or to carry out the very commitments they maintain (in West Germany's case). For the gap between the governments and the protesters to be closed, one would have to imagine several events occurring, none of which is

likely. One is a successful arms control negotiation. Even if one believes that the bargaining should be limited to theater nuclear forces in Europe (and thus leave out Soviet ICBMs aimed at Western Europe, or Poseidon and Trident submarines assigned to NATO, or the new submarine-launched cruise missile [SLCM] which will be built by the United States and could serve as a coupling link between the central systems and Europe), there are formidable technical and political obstacles.

On the technical side, which weapons are to be included? What is it that should be counted (missiles, launchers, warheads)? What level of limitation would make sense—and is there any level that would “save” the Europeans from new deployments, unless one believes, to quote a recent NATO communiqué, in the “ideal circumstances” of a zero option whereby Russia dismantles her SS-20s and America need not deploy her own theater nuclear weapons? Is not the absence of a clear military rationale on the Western side likely to make an agreement—even, first, among the allies—more difficult? What price, if any, will the Soviets require in order to consent to a dismantling, and not a mere displacement, of the SS-20? How would this be verifiable?³

On the political side, whereas NATO's December 1979 decision was aimed at providing Western negotiators with the added bargaining power which flows from firm deployment commitments, what was intended to be a decisive chip has turned out to be a source of division and weakness. The Soviets have little incentive to conclude an agreement rapidly. All they have to do—all they keep doing—is to make reasonable-sounding proposals, wait for the fallout from public opinion in the West European countries, and sharpen the conflict between “negative” Western governments and eager protesters.

Another event capable of closing the gap would be some Soviet move that would convince the protesters that the Soviets are indeed still a formidable threat. A Soviet invasion of Poland—shown all over Western Europe's TV screens—might demoralize the peace movement. But it would at the same time doom the chances for arms control, thus largely offsetting whatever boost it might have given to Western cohesiveness. In any case, one should neither always count on being rescued by the Soviets nor hope for such a tragedy.

What if, by the time the deployments are supposed to begin,

³ On these points, see William Hyland, “Soviet Theatre Forces and Arms Control Policy,” *Survival*, September–October 1981, 194–99.

there has been no breakthrough on arms control, and the super-powers' contest remains what it is today? Skillful maneuvering within the German SPD might postpone a showdown from its April 1982 Congress until 1983, so as to give to the arms control side of the December 1979 decision a chance to progress before going ahead with actual deployment of the weapons involved. But can a settlement of accounts be delayed forever? A showdown in 1983 could lead to a rift that might doom the SPD-liberal coalition, and bring a coalition of the Christian Democratic Union (CDU) and liberals to power even before the election of 1984. Alternatively, it could set the stage for a compromise aimed at saving the government through a request that NATO postpone the deployments (scheduled to begin at the end of 1983)—especially if there is still a breath of hope in arms control. A return to power of the CDU, after or before the 1984 elections, could theoretically put an end to this crisis. But there is a major difference between the period when Chancellor Konrad Adenauer succeeded, through perseverance, in converting the SPD to his foreign policy priorities—integration into Western Europe and NATO—and the present period, in which the CDU itself is not entirely immune to the anti-nuclear epidemic and shows itself eager to reassure the public about its commitment to negotiations as well as to strength.

It certainly is not in America's interest to have the NATO decision, and by implication the strategy and policy of the United States, be either the decisive issue in a battle for control with the SPD or the central issue in German politics—something that would happen should the ruling coalition fall over it and the SPD be captured by its left wing. The Federal Republic, for all its economic strength and political stability, remains a fragile plant.

The solidity of the Alliance in Western Europe has always rested on the existence of a broad foreign policy consensus among non-Communist parties. It might therefore be wise for the United States to start thinking about an alternative, should the December 1979 decision become politically unenforceable. The worst that could happen would be an American insistence that enforcement is the test of loyalty to NATO, coupled with mutterings about "Finlandization" and threats of American troop withdrawals. It is not in our interest to hold European governments hostage and to force them to choose between NATO and their domestic support. After all, the NATO decision to counter Soviet deployments with land-based missiles in Western Europe was aimed at reassuring the West Europeans. There are other ways, militarily, of coping with the threat; it is in our interest to find one that satisfies the

governments *and* the publics, and to avoid the perils of polarization. To be sure, with time the protesters might lose heart, grow tired, give up. But the opposite might happen, and it is not in our interest to risk the further growth of the mix of dark fears and rosy fantasies that marks the current movement.

This is where the lesson of the ill-fated European Defense Community and 1954–55 should be remembered. As long as there was a chance to get the EDC through the French Parliament, the U.S. government probably had to insist that there was no good alternative. But it was foolish for Washington to threaten an “agonizing reappraisal” and not to prepare for an alternative; moreover, it was lucky that British Prime Minister Anthony Eden and French Premier Pierre Mendès-France came up with one. This time, it makes sense to think of one immediately. The aim would be to reach the sensible objectives set by NATO in December 1979, but in ways that would be politically less costly. Insofar as we are dealing at least as much with the psychology of perceptions as with military certainties (which do not exist in the absence of any experience of nuclear war, as the cacophony of the experts confirms), we should not be tied to a single approach.

An alternative should be based on the following considerations. One, the reason for the December 1979 decision remains valid—preventing the Soviets from believing that their new theater arsenal could allow them to strike without risking American retaliation on their own territory. Two, such a strengthening of deterrence is more plausible if it does not rely exclusively on the central systems: the “certainty of uncertainty” about an American reply, which is, as McGeorge Bundy puts it, what deters a major Soviet attack, is greater if the United States is not faced with a choice between limited, tactical nuclear retaliation and a strategic first strike against the Soviet Union. Three, the credibility of the deterrent, and the defensive, second-strike character of the weapon systems are reinforced by their invulnerability.

While the concerns of coupling and invulnerability are partly at odds, there are ways of reconciling them: one would be to preserve a limited land-based capability in the form of a small number of cruise missiles (which are preferable to the Pershing II because they are less vulnerable and thus less of an incentive to a Soviet preemptive attack), and to complement it with off-shore, sea-based cruise missiles such as those whose construction was recently approved by President Reagan. A sea-based cruise missile force was rejected by NATO in 1979 because the key concern was visible coupling, which only land-based systems provide. But if a

sea-based force might be deemed a less effective deterrent because of its migratory nature, one could also argue that it would be a *more* effective deterrent due to its reduced vulnerability. In any case, a deterrent whose domestic acceptability is low is less effective than one which does not raise such divisive controversy or drive people into absolutist and absurd positions.

One could conceive of an arms control agreement limited to long-range theater forces, in which the Soviets would agree to end their deployments and even to cut them down, in exchange for Western consent to limit NATO deployments to the new kind proposed here.

On the other hand, a failure to reach agreement on theater arms control on the basis of the December 1979 decision might serve as the occasion for replacing that decision with a new one. The alternative could include the deployment of a mix of long-range theater forces which is more acceptable to the public, and a reduction of NATO's stockpile of short-range nuclear weapons, which is currently too large for deterrence, too vulnerable to a preemptive strike, too close to the battlefield for crisis stability, and which, if used for fighting purposes, would destroy Europe without at all guaranteeing a successful defense.

One last option, of course, would be the abandonment of any long-run theater nuclear reinforcement. Two plans of this sort have been suggested; both are undesirable. One is the reliance on U.S.-based air-launched cruise missiles (ALCM), on the basis of that theory of deterrence which counts on the "certainty of uncertainty" rather than on exact matching or on a "seamless web" of deterrence.⁴ While it is true that our deterrent posture should be based on our own assessment of NATO needs, not on an obsession with matching every Soviet capability, one of the needs is to provide the *plausibility of coupling*. The problem is not that U.S. strategic forces cannot adequately deter the new Soviet forces, but that their location matters from the Europeans' viewpoint; the solution, less difficult than squaring the circle, is to make the location more reassuring than threatening to them.

The other plan would put all of NATO's efforts into conventional reinforcement. An improvement of the conventional balance is indispensable, but it is not a panacea. Politically, it would be very difficult to get our allies to agree on a policy that puts the bulk of the financial burden on them (unlike the December 1979 decision); moreover, it would be resisted as decoupling, as has always

⁴ McGeorge Bundy, "Instead of Missiles," *The New York Times*, May 21, 1981.

been the case in the past. And militarily, it may not be a valid option at all—unless all nuclear weapons were removed from Western Europe (something which many of the same protesters who today call for denuclearization would brand as proof of abandonment by the United States).

VI

From the story of the December 1979 decision, there are three main lessons to be learned (in addition to all the other lessons enumerated by Christoph Bertram).

One concerns NATO's major military decisions. They tend to be shaped too much by the circumstances that prevail at the time—and by short-term considerations—and to be too dependent on the political climate of the moment. Once again, the parallel with the EDC is worth stressing. West German rearmament was a long-term necessity; but the haste and manner in which it was undertaken could only be explained by the shock of the Korean War. And a treaty drafted in the somber period of late Stalinism looked quite different after the tyrant's death, in what seemed a possible prelude to a thaw.

In the current instance there was, again, a legitimate long-term concern, resulting from the Soviet build-up in Europe. But the way in which the decision was taken reflected two short-term considerations. One was to reassure the West Europeans that SALT II would not create, or rather leave, a "Eurostrategic imbalance"—even though it was already clear in the late 1970s that the evolution of American nuclear programs, and particularly the development of cruise missiles, was likely to transform the balance of nuclear forces to America's advantage by the late 1980s, as well as to blur the distinction between central and regional systems. The other consideration was to show firm U.S. leadership so as to avoid repeating the neutron bomb fiasco, in which the Carter Administration reversed its decision to produce and deploy enhanced radiation weapons, embarrassing European governments which were going to endorse the plan.

Above all, the context of the decision evaporated almost as soon as the decision was reached. Insofar as it was an instrument for a post-SALT negotiation, it assumed both the ratification of SALT II and a continuation of what was left of the Soviet-American détente (which was the exploration of arms control areas). But when the German Chancellor came to the United States in June 1979 in order to help get SALT II ratified, he may well have sensed here the mounting hostility to the treaty, and his enthusiasm for

the emerging NATO decision may have cooled a bit. The train was, however, on its tracks and became an infernal machine. Paradoxically, a resolution aimed at countering Soviet moves became less rather than more acceptable to much of the public after the aggression in Afghanistan; a military program aimed at redressing the balance in a climate of *détente* appeared as one more step toward Armageddon in a climate of renewed cold war.

The second lesson concerns the United States. America's style, her tone, matter as much as her actual policy; we may not like the mood abroad, but we can't afford to tune out. Our leaders must learn the difference between restoring America's strength and appearing bellicose; between extending their protection to our friends and taking over; between shedding illusions about arms control and seemingly shedding arms control altogether; between helping allied governments to overcome domestic opposition by avoiding anything that would feed the suspicions and prejudices of the demonstrators, and exacerbating U.S.-European strains by sternly repeating *ad infinitum* the rationale of the 1979 decision, and directly denouncing the protesters (something that should be left to their own governments).

Two things are particularly needed in this regard. One is greater sensitivity to Europe's fear of war. It is not, and should not be equated with, sympathy for Moscow: among the protesters, Moscow's admirers are a minority. But an America that sees the world in terms of the bipolar contest finds it hard to understand that, paradoxically, the disenchantment of Europe's young people and intellectuals with Moscow makes them more, not less, exacting toward the United States. (They feel neither responsible for, nor surprised by, the attack on Afghanistan, but as allies of the United States they felt implicated in the fate of Vietnam and were both revolted and self-righteous.)

Similarly, the European fear of war is not, and should not be equated with, a desire for appeasement and a cowardly rejection of defense. It expresses a perfectly understandable determination to stay on the only sensible side of the great, perhaps fading divide that separates deterrence from war: the side of deterrence and arms control. It is of course true that in history some things have been worse than war. But the United States was not any more immune to appeasement in the 1930s than Britain or France; and it is easier to remind others of the merits of war, or to spin scenarios of nuclear war with cool pseudo-rationality, when one has never been occupied or devastated, or when one has a good conscience about never having inflicted wanton destruction on

others in an evil cause, as many West Germans feel Germany did in the not-so-distant past.

There is, on this side of the ocean, a frequent lack of imagination and empathy. The subtle, subterranean solidarity in war-related traumas which links the West Europeans, the East Europeans and the Soviets is a fact that the Soviets exploit with skill. We must be aware of it, and walk softly. In this country, a flowing rhetoric may be the only way to make new policies possible, and the gap is often wide between the verbiage (invented anew by each Administration) and the realities (where continuity prevails). But others tend to judge us on our verbiage, and to interpret harmless deeds or ambiguous statements in light of our rhetorical designs. To many in Europe, the President's decision to produce the neutron bomb and his off-the-cuff remark on the possibility of limiting a nuclear exchange to Europe appear as parts of a pattern. When many of those who once trumpeted the news of America's vulnerability and weakness start flexing muscles and anticipating high noon, a West European public that needs both reliable American protection and a promise of peace inevitably gets confused and anxious.

What is also needed is a long-term policy toward the U.S.S.R. Even those Europeans who were most impatient with the Carter Administration's inability to define a coherent strategy toward Moscow, and who approve of the new Administration's decision to strengthen America's defenses, worry about new inconsistencies and questionable new trends. They see an American government that presses them to take risks and disapproves of their hesitations as well as of their economic deals with Moscow, yet rejects the draft, lifts the grain embargo, and finds it politically expedient to put the MX into existing silos, however vulnerable.

Europeans often sympathize with Washington's determination to raise the costs of Soviet, or Soviet-supported, meddling in the internal affairs of countries in Latin America or Africa, and to protect the oil fields of the Middle East. But they worry about the U.S. tendency to give everywhere priority to the Soviet threat and to want others to give it the same priority, even over pressing local threats or internal concerns. They worry about the Administration's apparent belief that no dialogue with Moscow is possible unless the Soviets accept American notions of restraint or (in strategic matters) of deep reductions. They worry about what they see as an American nostalgia for the 1950s, for the era of American nuclear superiority, a relatively quiescent Third World, and unquestioned American leadership of an Alliance of unequals. West

European leaders need to provide their people with a perspective brighter than unlimited containment and recurrent clashes. They fear that the combination of a deep distrust of Soviet actions and intentions, the expectation of trouble, and the lack of any policy beyond the realm of the military may bring prophecies of confrontation to perilous self-fulfillment.

The third lesson concerns Western Europe. The reactions of the protesters reflect more than a legitimate fear of war, more than an idealistic demand for a future that leaves room for hope and progress. They also incorporate the heavy price of 35 years of dependence. Western Europe is a frying pan on a stove whose controls are in the hands of others. Irresponsibility and resentment are the inevitable outcomes. Nations which must rely on others for their defense, and consequently for much of their foreign policy, often tend to turn inward, leaving to those others the responsibility—and the blame—for difficult decisions. For many years now the architects of the European Community, trying to make a virtue of necessity, have argued that their new entity would be “civilian” in nature, repudiating power politics and behaving as a model for others. Defense matters have been left to NATO, where key decisions are made unilaterally by the United States, or collectively at American initiative. As a result, Western Europe has had the worst of both worlds—the trials of a collective new political entity, without control over the one issue that stands at the heart of sovereignty and authority.

It is not by coincidence that the only country in which the protest movement is marginal is France, where most of the opponents of civilian nuclear power, for instance, do not seem to object to the French nuclear strike force, and where since de Gaulle the government has been responsible for France’s defense, nuclear weapons included. In France, over the past 20 years, optimists and utopians—for instance in the Socialist Party—have moved from opposition to French defense policy to acceptance and responsibility. France is not a model for other NATO countries; either they are too weak or—in the case of West Germany—the political costs of a quest for autonomy are too high, both at home and abroad. But their lack of national autonomy encourages a drift toward wishful thinking and romantic resistance.

For too many years, West European abdication has fed American tendencies to unilateral action, and the latter has engendered West European anger. Already, many Americans have accused their allies of trying to force them into a hopeless arms control charade; some angry but not unrepresentative American voices

draw parallels between the spirit of Munich and the new protests, or the failure of several governments to support the original decision, and threaten to leave Western Europe to its own resources. And angry but not unrepresentative European voices, such as those of pastor Heinrich Albertz in Berlin and of SPD leader Erhard Eppler, call for an end to a situation that leaves Germany as target practice for the superpowers, and makes the West Europeans the pawns on the superpowers' chessboard.

The dependence of America's NATO allies is not only bad for American-European relations, it is a further factor of intra-European division. Yesterday, the Federal Republic resented Gaullist France's decision to leave NATO and to pursue a strategy that treated West Germany mainly as a glacis for French protection on which French nuclear artillery would fall, but not as a partner in forward defense. Today, it is the turn of the French, not only to describe with some condescension the protests in Germany as the direct effect of dependence, but also to suspect once again that the protesters might be moved by a desire for reunification in neutrality which would play into Soviet hands and undermine the Alliance—a suspicion French President Georges Pompidou seems to have had already about the Ostpolitik of Willy Brandt.

To be sure, dependence on the presence of American conventional forces and on the American nuclear guarantee is a permanent fact of West European life: the U.S. troops make the guarantee plausible, and the guarantee is the ultimate deterrent. Yet ways must be found to minimize the political effects of the West's inevitable geographical and military inferiority—a weakness which the present structure of the Alliance exaggerates. This means, on the one hand, three policy shifts within NATO itself.

First, despite the West Europeans' own reluctance, it is necessary that they share more fully and far more equally the important military decisions—decisions not only on deployments, but on doctrine and on the actual use of nuclear weapons. The December 1979 decision, it has been said, shows America's willingness to share the risks incurred by her allies. But as long as the ultimate decision to use or not to use the systems is America's alone, the allies will suspect that at the moment of truth the risk may be left to them alone. Second, even the most central military decisions are only part of an overall policy toward the Soviet Union: the Alliance's defense posture serves as a platform on which a broader policy can stand, and military doctrine aims at coping with worst-case hypotheses. The overall policy, which must aim at making the worst case unlikely by political as well as by military means,

can no longer be decided in Washington alone. The very divergence in conceptions mentioned above makes an attempt at reconciliation the only sane alternative to either a widening gap or a series of ad hoc fixes and compromises that leave the misunderstandings intact. Third, as Christoph Bertram points out elsewhere in this issue, arms control negotiations dealing with the European theater should, like talks on mutual and balanced force reductions, be conducted on the Western side not by the United States alone, but by the United States *and* its military partners.

On the other hand, since within NATO the preponderant weight of the United States is likely to remain a source of tension, it is time for the West Europeans to examine whether there is not room at last for the gradual development of a European defense organization. Such an organization would include the French and, in a first phase, would improve cooperation on upgrading conventional defense, as well as foster Franco-British nuclear coordination. The prospects of an increasing diversion of American resources from Western Europe to other parts of the world—which the Europeans do not consider NATO's responsibility—as well as of American impatience with the allies' apparent foot-dragging within NATO, and the need to buttress European political cooperation with cooperation on defense, suffice to justify the enterprise. If it should develop and grow and lead to a satisfactory process of collective decisionmaking, one could even envisage a joint effort, by all or by certain of the participants, to build European theater nuclear weapons (the French are already planning middle-range systems and have the means to produce neutron bombs) and a possible joint acquisition of American theater nuclear forces, to be transferred from American or NATO control to a European command. This would, of course, require the establishment of a European defense directorate, functioning in such a way that West Germany alone could neither initiate a resort to nuclear weapons nor produce and own such weapons, but could participate in decisions on the use of nuclear weapons and in the joint production and ownership of European theater nuclear forces.

Obviously, we are very far from such a prospect. Until now, the West Europeans have preferred to leave the biggest decisions to the United States, and to criticize the United States for its errors or confusion. A specific West European defense effort also raises three formidable issues which have been insurmountable in the past—the risk of providing Washington with a pretext for reducing the American commitment to Western Europe (for instance, by

withdrawing troops), the problems of West German participation in a European nuclear force, and the disjunction between a common defense and the very loose integration of foreign and domestic policies within the European Community.

The first issue may look very different in the future—mutual exasperation within the present NATO framework may itself pose the greatest peril for a continuing American commitment. But the other two problems remain. The German question ought to be faced squarely: Is not a Federal Republic with increased military responsibilities, exercised and contained within a European organization, preferable to a Federal Republic tempted by neutralism and nationalism? Would such a development, in the last part of this century, really be considered by the Soviet Union as a genuine threat, given the absence of any West German revanchism and the restrictions that would continue to limit Bonn's military sovereignty? As for the discrepancy between functions, must all sectors progress with the same rhythm?

The reasons for moving in this new direction are compelling, given the alternatives. And yet, it is not very likely that it will be chosen—partly because of each European country's preoccupation with domestic economic and social problems, partly because of the absence of any great European ambition, combined with the persistence of separate external interests and national perspectives, partly because of the formidable weight of existing patterns and habits—both within NATO's military organization and within France, which is complacently used to the benefits derived from a combination of autonomy and cooperation with NATO. Simple, untroubled dependency is no longer a possibility (was it ever untroubled, anyway?). Turbulent dependency with a growing appeal of some mix of neutralism and pacifism—unless the United States shows far more finesse than it has in recent years—is the most probable outcome. But it is not a happy one.

Clearly, these considerations far exceed the theater nuclear forces tangle. But the reactions in Western Europe to this issue, and the failure, so far, to understand them on this side of the Atlantic, show that a resolution of the issue itself will either depend on progress in the areas just discussed or (should, miraculously, the December 1979 decision be enforced in a way that pleases all the allies) leave the more fundamental problems unaddressed, and therefore bound to provoke new crises later.

MITTERRAND'S FOREIGN POLICY: THE LIMITS OF CONTINUITY

Under Charles de Gaulle, French foreign policy as seen from Washington had a "nuisance value" at a time when France's domestic choices were much more in tune with those of her allies and neighbors. Under François Mitterrand, the radical nature of the domestic changes in France (e.g., nationalization of major industries and banks, decentralization of the administration of the country) have virtually changed French foreign policy into a reassuring value. At a time when pacifism is sweeping Northern Europe, and the Federal Republic of Germany in particular, France, with her firmness vis-à-vis the Soviet Union, her nuclear striking force, her strong defense budget and weak pacifist movement, seems an oasis of continuity.

Is this optimism justified? Is "changing France still steadfast?" Can France reconcile the cost of her domestic policies to the ambitions of her foreign policy, or will the radical nature of her internal changes ultimately affect the very essence of foreign policy?

II

If we can speak of continuity in Mitterrand's foreign policy, it is a continuity that has more in common with de Gaulle's policies than with Georges Pompidou's or Valéry Giscard d'Estaing's. For Pompidou, France was to become a major industrial power. For Giscard d'Estaing, she was to hold her place among the advanced countries in the world. Rejecting these legitimate but highly unromantic ambitions, Mitterrand shares de Gaulle's faith in France's special mission in the world. He even transcends it by fusing France's destiny with that of socialism. In his inaugural speech at the Elysée Palace, Mitterrand set the tone for his foreign policy by stressing that a great nation should entertain only noble projects and that France should "enlighten humanity's progress."

De Gaulle guided France's destiny within a classical realist vision of a balance of power concerned only with nation-states. As

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the spiritual inheritor of those earlier illustrious socialists Jean Jaures and Léon Blum, Mitterrand's ultimate goal is to rehabilitate socialism in France and in the world. In France the socialist ideal had always been defeated, both domestically and internationally, either by the ultimate failure of the socialist-communist Popular Front in the 1930s or by the excessive watering down of socialist principles under socialist leader Guy Mollet and others during the Fourth Republic. Hence Mitterrand's ambition to find a third way beyond the Russian interpretation of Marxism and its totalitarian consequences and the inherent limits of an excessively moderate Northern social democracy, which leaves the free market economy essentially untouched.

Mitterrand's idealism and internationalism have replaced de Gaulle's nationalism and Machiavellianism in structuring France's international mission. In American terms, France is in the midst of Wilsonianism. But whereas Wilson's ambition was to make the world safe for democracy, the new Socialist government, referring to Pascal, describes its moral aim as the need to make the just strong. (*Que le juste soit fort.*) It remains to be seen whether these high hopes will degenerate into a Carter-like failure. Mitterrand, however, is not Jimmy Carter. Thirty-five years of being constantly active in French political life and major international exposure during the past ten years as a leading member of the Socialist International have given him a healthy dose of realism.

It is from such a combination of idealism and realism that French foreign policy draws its guiding principles: firmness toward the Soviet Union, generosity toward the Third World, ambiguity toward the United States. These three dimensions have always been present in French foreign policy in varying degrees. The greater intensity with which all three dimensions are being pursued at the same time is what gives French foreign policy under Mitterrand its "new look."

III

Giscard d'Estaing was anti-communist at home and soft on the Soviet Union. Mitterrand has brought Communist ministers into his government for a mixture of historical and tactical reasons but is firmly anti-Soviet. In the last six months of his mandate, Giscard had slightly toughened his position vis-à-vis the Soviet Union, but his May 1980 Warsaw trip to meet with Leonid Brezhnev after the Soviet invasion of Afghanistan, which haunted him during his campaign, remains symbolic of his septennat. Mitterrand and his Foreign Minister, Claude Cheysson, have lifted this veil of

ambiguity by stressing unequivocally the unacceptability of a Soviet military presence in Afghanistan. Shielding himself behind France's nonparticipation in NATO's military wing, Giscard adopted an attitude of benign neglect toward the quarrel between Europe and America over placing medium-range missiles in Western Europe. Mitterrand, on the other hand, has come out strongly in support of the West German Chancellor, Helmut Schmidt, in denouncing the Soviet buildup in medium-range missiles, thus approving the NATO decision of 1979 to counter the Soviets with U.S. missiles on European soil. But Mitterrand has not abandoned his commitment to disarmament and arms control; he simply feels that such negotiations can only take place once a balance of power has been restored in Europe.

This new realism can be explained at many levels. France's hard line vis-à-vis the Soviet Union can appear as a tactical maneuver to counterbalance the negative impact, for France's allies, of Communists in the French government, of radical domestic changes, and even of France's strong pro-Third World commitments. Such an explanation, however, does not do justice to Mitterrand. In his latest book, *Ici et Maintenant*, written before his election, Mitterrand seems well aware of the changing balance of power in Europe.¹

De Gaulle in the 1960s, fully protected by the American nuclear umbrella, sought to maximize France's diplomatic margin within the alliance by seeking an independent line on East-West issues. Such a policy presupposed two conditions that are no longer present today: the undisputed strategic superiority of the United States and that France was the only nation to practice Gaullism. Now that the Soviet Union seems to have a strategic edge and the Federal Republic of Germany, in its identity crisis, is flirting with Gaullism and pacifism, Mitterrand the realist is aware of France's new responsibilities.

France's toughness vis-à-vis the Soviet Union can also be explained for ideological reasons. As a disciple of Auguste Comte's technocratic rationalism, Giscard d'Estaing could delude himself into thinking that the ideological competition with the Soviet system could be downplayed. The belief in the possibility of a common language is probably what led him to meet with Leonid Brezhnev in Warsaw, in May 1980—and made him unaware that the “medium was the message” as far as the Soviets were concerned, who exploited his trip to Poland well beyond any benefits

¹ François Mitterrand, *Ici et Maintenant*, Paris: Fayard, 1980.

he may have obtained. Mitterrand's long familiarity with the French Communist Party as an enemy or ally gives him no illusions about the nature of the Soviet regime and the power of its ideology, which he seeks to combat by proposing an alternative road to socialism. The Socialists also have one advantage over their conservative predecessors in dealing with Moscow. They have a considerably weaker Communist Party (15 percent of the electorate) to live with and, possessing their own legitimacy vis-à-vis the Left, their hands are freer to deal with Moscow as they wish.

Mitterrand is further helped by a changed cultural climate. During the cold war, the French intelligentsia was both anti-American and largely pro-Soviet, at a time when the Fourth Republic was a faithful ally of the United States. In the 1970s, French intellectuals under the impact of the Gulag became fiercely anti-Soviet, at a time when Giscard cultivated détente.² The growing Soviet strategic arsenal and its military expansionism in the Third World have brought political positions somewhat closer to intellectual stances.

Nor is France's firmness vis-à-vis the Soviet Union offset by a strong pacifist movement, whose current weakness goes beyond the fact that NATO's medium-range missiles were never intended for French soil. French attachment to the notion of national independence and a strong state, the lack of Protestant pacifism and of a strong romantic ecological movement help explain why, during the peace weekend of October 24–25 in Brussels, London, Rome and Paris, Paris had by far the smallest number of demonstrators, most of whom came from Communist-inspired organizations.

One can even wonder whether these pacifist tendencies are not in part due to the perverse effects of NATO on the notion of a national defense effort, NATO's existence reinforcing an already blurred sense of national military responsibility or even identity. France being outside NATO had to feel responsible for herself.

IV

Mitterrand's foreign policy is at its most Wilsonian on North-South issues, even though this is the realm in which there is the greatest continuity with his predecessors. Since de Gaulle, France has had a growing concern for Third World countries and development problems. Giscard d'Estaing came to power promoting

² Pierre Hassner, "Western European Perceptions of the U.S.S.R.," *Daedalus*, Winter 1979.

the idea of a North-South dialogue and of a New International Economic Order. France's "Third Worldism" has always contained three distinct strains in varying degrees. The first strain is the product of *raison d'état* in the belief that France has to play an important role in the Third World for political as well as economic reasons. Mitterrand's speech in Mexico and his statements at Cancún stem directly from de Gaulle's Phnom Penh speech in 1966 in which he denounced America's military approach to the Third World as dangerous and mistaken. This Third Worldism of the brain is complemented by a Third Worldism of the heart, with its emphasis on the moral imperative to come generously to the aid of the poorest.

A third element is less idealistic and is directly linked to a latent anti-Americanism, ready to criticize American imperialism in the Third World. If under President Mitterrand the *raison d'état* still plays a role, the generous aspect and the anti-American aspect have clearly been reinforced. Foreign Minister Claude Cheysson represents the "generous wing" with his well-known, long-term, deep commitment to the Third World, which often makes him speak openly in an undiplomatic manner. For Cheysson, Third World development constitutes the "new frontier" of the industrialized countries, and the key to their economic growth. The left wing of the Socialist Party represents this anti-American strain, rendered more significant by the romantic presence at the Elysée of Régis Debray, a follower of Ché Guevara in the late 1960s, who actually spent three years in a Bolivian jail. This anti-American dimension is clearly reinforced by the Reagan Administration's simplistic approach to North-South problems. France's Third World approach is based on principles that are perfectly antithetical to America's. Mitterrand and Cheysson have repeatedly declared that North-South problems are more important than East-West problems and must be dissociated from an East-West framework. Ultimately, if France is West vis-à-vis the East, Socialist France wishes to be South vis-à-vis the West.

It is unclear whether France will be able to carry out a global North-South policy beyond generous declarations of intentions or whether she will continue her regional policies with a different tone. Given the nature of the problems involved and France's limited margin of maneuver, change may be less significant than originally envisioned by the Socialists. This is particularly true in Africa where socialist France is caught between two contradictory objectives: the need to differentiate herself from Giscard d'Estaing's policy with its neo-paternalistic taint; and the need to

reassure all those countries whose stability depends on French political, economic and all too often military support, in what can be considered as the last French sphere of influence in the world.

France's new guiding principles in Africa can be summarized as follows: a desire to widen French presence beyond francophone Africa, an attempt to de-emphasize military aid while stressing the more "pure" economic and cultural aspects, and an intent to condemn South Africa more strongly. These principles are new only in their formulation. Giscard d'Estaing had also pursued an active, if unsuccessful, policy beyond francophone Africa. Sensitive to Nigerian criticism and fearing a direct military confrontation with Libya in Chad, Giscard took French troops out of Chad, a move that was criticized in France and in some African countries. It is also important to stress that criticism of South Africa already existed under Giscard, who stopped the sale of arms to Pretoria.

There will be inner limits to French African policy if only because economic aid will be necessarily limited, her allies will expect military protection, and ties with South Africa will remain exceedingly complex. A lack of available funds may force the French to concentrate on some countries whose political stability, given their traditional links to France, is important for the maintenance of what amounts to a sphere-of-influence policy. Unfortunately for the idealistic component, these countries are generally not the poorest. Libya's President Qaddafi's growing ambitions in Africa are already leading France toward increasing logistical aid to the regime of Goukouni Oueddei in Chad. The recent withdrawal of Libyan troops, if it is confirmed, is unquestionably a success of French diplomacy. It remains to be seen whether Qaddafi's withdrawal is anything more than tactical, whether a joint African force is enough to preserve a fragile equilibrium, and whether French forces will not once again have to intervene in Chad. France has also given tacit support to the military coup d'état in the Central African Republic that has ousted the fragile regime of President David Dacko.

On the Middle East, change is more significant even if it too must be qualified. The new Socialist government has brought to the Middle East a more emotional—some would say a more balanced—approach. Socialist emotions, however, run both ways and not just on behalf of Israel. One can even speak of a generation gap within the Socialist Party. Those over 50, and therefore Mitterrand, still see Israel as a pioneer state and as France's ally throughout the Fourth Republic, especially during the Suez crisis. French Socialist links with Israel have been kept alive through

frequent contacts inside the Socialist International. This may explain the new support for the Camp David accords, the denunciation of the Arab boycott of French firms dealing with Israel, and a warmer tone toward the Israelis. For a younger generation of Socialists, particularly in the left wing of the party, emotions are invested in the Palestinian cause in a pro-revolutionary fashion reminiscent of 1968. This pro-Palestinian position is also in greater harmony with the party's general Third World orientation, and accounts for the greater recognition of the Palestinian right to a state.

France's position in the Middle East is objectively limited by the international framework, and the two antithetical currents inside the Socialist Party may also ultimately restrict her realm of action. One must acknowledge, however, that by offering to place French troops in a peacekeeping force in Sinai (as she did previously in Lebanon, at that time under a United Nations flag), France is playing a positive and practical role.

France's policy vis-à-vis Southeast Asia is not very well defined yet, but continuity seems to prevail.³ The Indian card played by Giscard d'Estaing, who wanted to strengthen ties with the emerging industrial power of the area, is being pursued with greater intensity. India serves almost as a "two-way plug": a conveyor belt to Moscow, while at the same time New Delhi's regional fears of growing Soviet strength in that part of the world are encouraged. France and the European Community, by coming to the support of Indian neutralism, hope to make it truly neutral. The problems besetting that policy are bound to be the same as under Giscard d'Estaing. Will France be able to translate a close political vision with India into an ambitious policy of economic and cultural exchanges?

In Vietnam, France is caught between two policies. One derives from French concerns over human rights, whereby France should therefore set a normative example and condemn unequivocally Vietnam's occupation of Cambodia. In contrast, the reappearance of a neo-Gaullist tendency to think in global historical terms pushes France in the direction of accepting mere autonomy of Cambodia as part of a greater Indochina dominated by Vietnam. This analysis, which corresponds, in fact, to the situation in the field, is doubly limited today in its political consequences by the lack of flexibility of the Vietnamese vis-à-vis the French, as well

³ Cf. Jean-Luc Domenach, "Le dossier asiatique de la politique française," *Esprit*, décembre 1981.

as by the knowledge a growing number of people have of the totalitarian essence of the Vietnamese regime.

France's policy toward China also displays continuity. But it is largely the continuity of a vacuum. The Chinese do not appreciate the presence of Communist ministers in the French government. France's reluctance to discuss with China the topic that preoccupies them most, i.e., the ways to counter Soviet expansionism in the world, is the core of the Chinese frustration with France.

It is in Latin America, the region in which France's political and economic influence and military intervention have been minimal—if one leaves aside Napoleon III's unfortunate Mexican adventure—that the changes in French foreign policy have been most significant, to the evident displeasure of the Reagan Administration. Mitterrand has essentially picked up where de Gaulle left off in his political approach to Latin America, benefiting like de Gaulle from France's previously intense cultural influence in the continent. The recent French-Mexican declaration of support for revolutionary forces in El Salvador illustrates the new added ideological flavor of France's position, but it also reflects President Mitterrand's well-known cultural affinity with Latin America as a whole through its literature, which may be the basis of his rather vague concept of "*Latinité*." This declaration seems to have stemmed from a Mexican and not a French initiative. One is therefore left with the impression, given the fact that it was denounced by nine Latin American countries, among them moderates such as Venezuela, that France was ultimately used by the Mexicans.

Socialist France can express her ideological and cultural emotions in Latin America all the more freely since her direct interests in the region are ultimately limited—in clear contrast with America's. Despite the vastly different meaning Latin America holds for Mitterrand's France and Reagan's America, one can wonder whether these two countries do not share opposing illusions, but illusions nonetheless, over the fate of Central America, El Salvador being a test case. The United States has basked in the illusion that there could be an easy military answer to the revolutionary situation in El Salvador, the French that there could exist an ultimately successful "socialist way" (à la Allende) between the right-wing Chilean Pinochet and the Castro "scenarios." The Americans are slowly coming to grips with a far more complex reality in El Salvador. Will Nicaragua's troubling evolution toward the Cuban model make the French question their analysis?

In conclusion, one has to ask oneself if, on the set of foreign

policy issues that most divide them, France and the United States are not divided by a common assumption: that the East-West battle will be decided in the South. But they differ strikingly in their strategies. The United States gives total priority to building a strategic consensus of regimes around the notion that the Soviet Union is their greatest threat, a policy whose limitations were clearly exposed in the Middle East, while France emphasizes the support to revolutionary forces that would otherwise go automatically into the Soviet camp.

v

Mitterrand's moralistic Gaullism can only clash with Reaganism. For the first time in the history of the Atlantic Alliance, internal economic and social choices in the United States and France may add an ideological dimension to the classic "troubled partnership." Americans should not delude themselves into thinking that the new Socialist Party is the old Section Française de l'Internationale Ouvrière (SFIO) with its moderate Atlanticism and its reassuring social reformism in new dress. The new French Socialist Party was created in 1971 at the height of the Vietnam War, at a time when the United States was considered the primary threat to peace in the world. It is the irony of history that the Socialist Party should come to power ten years later at a time when Kabul and Warsaw have replaced Hanoi, Haiphong and Santiago as international symbols, thereby shifting the satanic mantle onto the Soviet Union. In the minds of Socialist leaders, however, and especially Mitterrand, Soviet military and American economic imperialisms are equally dangerous. Out of realism, one has to denounce Soviet military imperialism, but in ideological terms the emotional "imperialism" which holds the Socialist Party together is American economic and cultural imperialism. Such an analysis finds some confirmation in the new U.S. policy toward Central America and southern Africa. (Incidentally, such an assessment finds a natural ally among the Gaullists.) This complex link to America goes well beyond the realm of international relations. It lies at the very core of France's image of herself, her glorious past, and her complex relation to modernity, and on all these counts the Socialists, with their explicit attachment to traditional rural France, do not necessarily represent the most avant-garde position.⁴

⁴ Cf. the forthcoming article of Diana Pinto, "Le Socialisme et les Intellectuels: Le Conflit Caché," *Le Débat*, janvier 1982.

Fundamental political choices may also be pushed to extremes both in France and in America by a conservative U.S. Senate and a Socialist French National Assembly rediscovering the pleasure of parliamentary power. Each country's ideological attachment to its new economic philosophy, when added to the objective gravity of the international economic crisis, can only lead to many serious clashes; French criticism of high American interest rates only prefigures this state of affairs. The high risks of failure of both economic models—Reaganism and Mitterrandism—may also pave the way for more nationalistic and aggressive attitudes. This problem also has a European dimension for France.

France's new orientations vis-à-vis Europe are clearly pro-European. The presence of convinced Europeans in the Cabinet such as Finance Minister Jacques Delors, a former close adviser of Gaullist Prime Minister Jacques Chaban-Delmas, and Cheysson, a former European High Commissioner, also constitutes an encouraging sign. Enjoying a new conception of her relations with her partners, France under Mitterrand favors a greater "community approach" and refuses any directory type of formula preferred by Giscard. The Paris-Bonn "axis" is therefore rejected in principle, to the satisfaction of the British, though the privileged relationship between France and the Federal Republic is, in fact, still a reality. Apart from formulas such as the need for the constitution of a "European social space" or a more positive attitude toward European institutions, it remains to be seen whether the new internationalism and pro-European stance of the Socialist government will not prove as damaging for Europe as de Gaulle's nationalist approach. France's domestic economic choices are isolating her from the rest of the community. New economic pressures may make her less willing to heed all the restrictive measures of the Community. The case of Socialist Greece, whose attitudes are anti-European and deeply jingoistic, cannot be taken as a prefiguration of a socialist wave that would unify Western Europe.

VI

Ultimately, not only the success or failure but the very nature of French foreign policy will be determined by the outcome of Prime Minister Pierre Mauroy's economic program. The eventual failure of Socialist France to successfully reduce inflation and unemployment would not only affect the credibility of French foreign policy, but would alter its content. Arms control and disarmament could become ways of reducing a defense budget as

well as fulfilling a socialist ideal.

What is at stake is considerable and not only for France. To balance realism on East-West questions and idealism on North-South issues may prove less easy than it appears now. But the problem is more fundamental. Can the Socialist government succeed in formulating a coherent foreign policy unified by a moral and realistic vision of the world, grounded on social consensus and a restored economy at home? Or will the equilibrium between the will to effect deep changes at the domestic level and to maintain a reassuring continuity in foreign policy prove more difficult to achieve than it now seems?

In the context of Europe's changing political configuration, whether through Poland's revolutionary struggles or West Germany's pacifist tendencies, the issue of change or continuity in French foreign policy will prove to be essential. So far, an indisputable tendency to radicalization at home has not really left its mark on France's global foreign policy. Let us hope for the future of Europe that this will continue to be so.

Sylvia Ann Hewlett

COPING WITH ILLEGAL IMMIGRANTS

The problem mounts, the experts are in near agreement as to how to resolve it, and yet another President gives it high priority. However, despite all of the above, the United States may fail to enact a new national immigration policy in the near future. The seriousness and care with which Congress is considering the issue are cause for encouragement, but President Reagan is in the process of finding out, as President Carter did before him, that there is little political capital to be made in this policy area.

The political logic is depressing. Whenever any expert group does its homework on this issue, it is led to the conclusion that the United States should tighten controls on illegal immigration and limit the net inflow of people. However, such action is extremely hard to take. The short-run beneficiaries (low-income groups) have little political clout and our political system generally discounts the long run. The interests opposed to such a policy are conspicuous and powerful. Tightening controls and reducing the flow of immigrants will raise costs for employers, raise prices for consumers (particularly for services), and may well worsen our relationships with those countries which the immigrants seek to leave.

An additional deterrent to political action is that the normal political coalitions are scrambled on this issue. Some conservatives say keep them out, we don't need any more people to create social problems and soak up scarce social welfare dollars. Other conservatives say let them in, to discipline the domestic labor force and provide workers for the stoop labor that Americans simply won't do. Some liberals say let them in, we have a duty to share our

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riches with poorer people from the Western Hemisphere (if not the world). Others say keep them out, our first duty is to maintain social welfare for poor people already here. As a recent editorial put it, "Immigration policy has little appeal for most politicians. While they are not unaware of the disastrous long-run consequences of doing nothing, they see nothing but grief in taking action now."¹

In the pages that follow, I confine my analysis to the constellation of issues surrounding illegal immigration. Despite the recent furors surrounding Cuban refugees, Haitian entrants and "boat people," it is illegal immigration, not the unpredictable flow of refugees, which constitutes the bulk of our problem. In addition, the values and judgments involved in dealing with refugee policy are different from those involved in dealing with illegal immigration; it has often been difficult to agree on which characteristics should be used to define a refugee, but once a category of people is given refugee status it is clear that they should be treated differently from illegal immigrants.

Moreover, this article will not consider the issue of levels of legal immigration or the allocation of number ceilings to particular countries and regions of origin—with one exception. Mexico is the source of over one-half of the illegal or undocumented persons who arrive in the United States yearly and confront U.S. immigration policy. The ceiling figure for legal immigration from Mexico is thus a crucial element in any approach to the problem of illegal immigration. And by the same token we shall take a hard look at the Reagan Administration's proposal for a limited "pilot" program to admit legal temporary guest workers, most of whom would almost surely come from Mexico.²

II

There are two reasons why we now define immigration as an extremely critical national issue. First, there is the pressing problem of gaining control of illegal immigration. The United States is currently experiencing a large illegal or undocumented influx. As is the case with all clandestine processes, it is almost impossible to obtain accurate data on such migration, but most observers

¹ Editorial, "Immigration Dilemma," *The Journal of Commerce*, May 22, 1981, p. 4.

² A comprehensive discussion of the issues of legal and illegal immigration, as well as refugee policy, will be found in Michael S. Teitelbaum, "Right Versus Right: Immigration and Refugee Policy in the United States," *Foreign Affairs*, Fall 1980, pp. 21–59. The factual statements in this article concerning the scale of the problem are generally consistent with those of Mr. Teitelbaum, and the interested reader will find in his article a wealth of citations to relevant specific studies on which these statements are based.

would agree that the annual net inflow of illegals is around 500,000 a year and that this inflow has increased tenfold over the last 15 years. This constitutes a flagrant violation of national sovereignty, as control over entry by noncitizens is one of the two or three universal attributes of nation-states. Apart from the fact that the United States seems to have less control over its borders than any other major industrial country, this illegal inflow is creating a large pool of persons (estimates are in the four-million to six-million range) who live and work in our society but are not protected by our laws. This obviously makes these people a target of exploitation and intimidation.

Second, there is increasing concern over the rate of growth and the sheer size of the overall inflow. Net immigration (legal and illegal, immigrants and refugees) has increased to more than one million persons per year, which means that the United States accepts more immigrants and refugees than the rest of the world together. This rate of inflow is near the highest level ever experienced in American history (reminiscent of the years before the First World War) and is bound to have an impact on the society and on the economy. Can we successfully integrate the newcomers or will we find, particularly in times of rising unemployment, that xenophobic impulses and racial and ethnic tensions become more pronounced as indigenous workers feel increasingly threatened?

Perhaps the most sobering factor in these calculations is that unless a restrictive policy is put into place, the rate of inflow in the future is likely to accelerate rather than stabilize or diminish, generating even greater domestic pressures. It might not matter if Los Angeles is 75 percent Hispanic in the year 2000 (as opposed to 40 percent now), but if an increased inflow of immigrants helps push up our unemployment rate to 12 percent or 15 percent, and undermines working conditions across the board, race/ethnicity may become a scapegoat, and Hispanics could become the victims of economic grievances. The riots in Britain in July 1981 stemmed from a similar constellation of factors.

The pressures that will make for an accelerating inflow (in the absence of tighter controls) are fairly obvious and stem from the inability of many Third World countries to absorb their rapidly expanding populations into productive, decently paid occupations. The world's population was about four billion in 1975 and will reach approximately 6.4 billion by the year 2000. Most of this population growth is in developing countries which already have serious unemployment and underemployment problems. These nations will need 600-700 million new jobs between 1980

and 2000 just to keep unemployment from rising. To put this in perspective, this is more jobs than existed in all of the industrialized countries combined in 1980. These pressures will not be significantly lessened by declining birth rates, which tend to accompany the industrialization of Third World nations, since most of the people who will enter the work force during the next two decades have already been born.

As half of our illegal immigrants are Mexican nationals, U.S. policy may well be more affected by the specifics of the Mexican situation than by the general characteristics of the Third World. Despite its high growth rates and oil wealth, Mexico, too, reflects the problems described above. The current Mexican population of over 70 million is projected to increase by at least two-thirds by the year 2000, and the total number of jobs that would have to be created in Mexico during the next 20 years in order to accommodate all new entrants to the labor force and absorb the present arrears of unemployed and underemployed into productive full-time employment is more than 30 million. Even if Mexico were to sustain a growth rate of 6.6 percent per year over the next 20 years (a record of sustained economic growth that is virtually unprecedented among developing countries), only 20 million new jobs would be created before the end of the century. This leaves a sizeable deficit! And no matter how many new jobs are created in Mexico, the huge real wage differential between the United States and Mexico (currently ten to one in many cases) will continue to drive workers to seek to cross the border.

The issues, then, seem clear enough. Everyone who has looked at the immigration question is agreed: we have a massive illegality problem, a massive numbers problem, and a set of external pressures which guarantees that, left to themselves, both problems are sure to grow worse.

III

Over the course of the last few years there have been numerous commission reports, congressional hearings and academic writings which detail the trends and implications described above. These efforts have served to underline the seriousness of the problem and have prompted moves to reform the entire system of immigration controls. In August 1977 the Carter Administration announced a set of reform proposals which included a program of amnesty for those undocumented aliens already employed in the United States, and a work authorization system for screening out newly arrived illegals that depended on conventional documents. Policy

disagreements within the Administration, weak executive backing, and some active Senate opposition (most notably from Senator James Eastland of Mississippi, who was Chairman of the Judiciary Committee at the time) all combined to undermine this policy initiative. As a result the only concrete congressional response was to establish a study panel, the Select Commission on Immigration and Refugee Policy (SCIRP), chaired in its decisive period by Father Theodore Hesburgh of Notre Dame University. The report of the Select Commission was released in March 1981, just after President Reagan assumed office.

Reagan brought to the presidency a variety of strong incentives to develop a new national immigration policy. There were the expectations set up by the impending release of the Select Commission's report; there were his campaign promises, particularly to his supporters in the Southwest, pledging to admit large numbers of Mexicans on temporary work visas; and there was his great desire to forge a new and constructive "special" relationship with Mexico.

In order to make some rapid progress in this area, President Reagan set up in March of this year an 11-member Presidential Task Force on Immigration and Refugee Policy which included several Cabinet members and was chaired by Attorney General William French Smith. The work of the Task Force failed to progress as quickly or as smoothly as at first planned. Although the group's recommendations were originally meant to be presented to Reagan on May 1, this did not actually happen until July 1, and it was not until the end of the month that the President announced the official policy package that was to solve the immigration question. This slippage was symptomatic of problems on the substantive front. The advisory group came up against deep internal divisions and ultimately did not recommend a set of policies that was acceptable to the full Cabinet and to Reagan.

The central problem was that the more the Task Force educated itself on the immigration problem, the more difficult it became to recommend the expanded legal immigration preferred by the Administration (to please its constituents and to pave the way for a closer relationship with Mexico). In the end, the Task Force recommended a set of measures that were designed to tighten controls on illegal immigration and severely limit the net inflow of people. It is not surprising, therefore, that in its July proposals the Administration failed to take the advice of its own Task Force. In the official package, some key control measures were side-stepped or rendered unworkable, and it seems clear that even if

this package were to get through Congress, it would not solve the illegality problem or the numbers problem described above.

The proposed package consists of five general elements:

1) The Task Force (following the logic of SCIRP) saw two mutually supportive short-run ways to reduce the inflow of undocumented workers: to better police U.S. borders and shorelines, and to remove the principal motive for entry by making it illegal for employers to hire workers who are not authorized to work in the United States. The Administration has adopted these principles. In the July 31 policy package, it proposed an additional \$75 million for the Immigration and Naturalization Service (INS) to tighten up the borders and to detain illegals, and recommended the introduction of legislation prohibiting employers of four or more employees from knowingly hiring illegal aliens. Civil fines of \$500 to \$1,000 would be assessed for each illegal alien hired, and injunctions would be sought against employers who follow a pattern or practice of hiring illegal aliens.

2) In order to make it possible for employers to comply with these new immigration laws, the Presidential Task Force advocated the use of a counterfeit-resistant Social Security card. SCIRP also saw the logic for some kind of secure worker identification system but was divided as to what system should be used. A majority on the commission voted for using a mix of currently available documents, while a minority advocated a work authorization system of identification developed by the U.S. Department of Labor (of which more below). The Administration has now come out against any new worker identification system, and has advocated in its place the use of existing documents to serve as proof of eligibility to work (either documentation issued by the INS, such as a permanent resident alien card, or any two of the following: a birth certificate, a driver's license, a Social Security card, or a registration certificate issued by the Selective Service system).

3) Both the Select Commission and the Presidential Task Force recommended a conditional amnesty for some substantial portion of those illegal immigrants already in the country, in order to avoid the enormous social and political costs associated with mass deportations. For example, the Presidential Task Force advocated that illegal immigrants who entered the United States before January 1, 1980, and have been in continuous residence for five years, be permitted to remain as permanent resident aliens. The Reagan Administration has now accepted the principle of such amnesty, but has considerably stiffened the conditions under

which illegal immigrants can legitimize their status. The policy announced on July 31 would permit illegal aliens who entered the United States before January 1, 1980 to apply for the new status of "renewable-term temporary resident," which could be turned into permanent resident status after ten years. The conditions attached to this new status would be stringent. Temporary residents would have to renew their visas every three years; would be required to pay income and Social Security taxes but would not have access to welfare, federally assisted housing, food stamps or unemployment insurance; would need to learn English before they were eligible for permanent resident status; and would not be allowed to bring in their families.

4) Both the Select Commission and the Presidential Task Force agreed that there should be a small increase in the number of legal immigrants allowed into the United States from Mexico. However, they recommended different routes to this end. SCIRP assumed that a reasonably conditioned system of amnesty, together with extended family reunification rights for temporary resident aliens, would automatically increase the legal flow of immigrants into the United States from Mexico, continuing the "safety valve" into the short-run future. The Task Force, on the other hand, recommended increasing the legal ceilings for both Mexico and Canada from 20,000 immigrants to 40,000 immigrants a year on the ground that we have a "unique relationship with our neighbors." Under this proposal, any visas not used by Canada would go to Mexico. Since Canada does not use even its current allocation of visas, the net effect would be to make 60-70,000 additional visas available to Mexicans, thus maintaining the "safety valve" on a much reduced scale. The Reagan package incorporated this latter proposal.

5) On the issue of guest worker programs, SCIRP and the Presidential Task Force diverged. After looking long and hard at the experience of the United States with the Bracero program, and at the experience of European countries with their guest worker programs, SCIRP voted down, by a large majority, any new guest worker program. The conclusion was that if, after illegal immigration is brought under better control, more workers are needed in the United States, it would be better to admit them as immigrants with full legal rights than as guest workers with inferior status. The Presidential Task Force, on the other hand, recommended a "pilot" guest worker program with Mexico of 50,000 workers per year for an initial period of two years. The Administration has adopted this recommendation. In the Reagan propos-

als, guest workers in this pilot project would not be tied to specific employers, would work only in those areas and job categories designated by the Department of Labor as being short of labor, would be required to pay taxes, would not have access to food stamps or to welfare, and would not be permitted to bring in their spouses or children.

It should be clear from this summary that although the Select Commission and the Presidential Task Force had their disagreements (e.g., on how best to handle worker identification, on how to give Mexicans a slightly better shot at legal entry, and on whether to have even a token guest worker program), in their broad outlines the proposals of these advisory groups were similar. Each constituted a serious attempt to legalize immigration and drastically cut down on the numbers of people flowing into this country. The recommendations put forward by the Administration last July seem to seriously compromise both these goals.

First, on the key issue of sanctions against employers of illegal aliens, the Administration proposal for modest fines and possible injunction—with no criminal penalties—is far too weak. But above all, in rejecting proposals for a secure worker identification system (either a counterfeit-proof Social Security card or the work authorization system developed by the Department of Labor) the Administration effectively torpedoed employer sanctions. Employer sanctions have been on the books in a dozen states for years, but they have never worked because there is no reliable method by which employers can distinguish illegal aliens from citizens and legal aliens. Counterfeit versions of all the identity documents proposed by the Administration are available all along the Mexican border. Indeed, counterfeiters are reacting quickly to the July announcement and are building up supplies. In August the Border Patrol reported that packages of forged documents were flooding into southern Texas. The packages included a U.S. driver's license, birth certificate and Social Security card, and were selling for a mere \$200.

It is estimated that two-and-a-half million illegals cross the border annually and of these about one-half million stay. These people come because they can obtain employment in the United States. A new policy which features easily forged documents and weak civil penalties for employers will not prevent illegals from finding jobs, and if the lure of lucrative employment remains, a slightly beefed-up Border Patrol will not stem the inflow of illegal aliens. If, for the want of a secure worker identification system, employers continue to employ illegals, hundreds of thousands of

illegal aliens will continue to pour over the border, as our society will not tolerate the police state tactics necessary to keep them out. (In the absence of employer sanctions one would need elaborate hardware such as fences and sensors and at least 50,000 guards to make the border reasonably secure.)

In addition, by making the conditions for winning amnesty so harsh, the Reagan recommendations further undermine the effort to legalize immigration. Remember, temporary resident aliens would have to announce their presence, wait for ten years, agree not to bring in relatives, pay taxes but go without benefits, and then, if they behave themselves and learn English, they could apply for permanent resident status (citizenship would take another five years). It is unclear how many illegals would find these terms an improvement on their current status. Would not many (most!) stay underground? The amnesty recommendations have already stirred intense opposition. Tony Bonilla, National President of the League of United Latin American Citizens, has called the proposal tantamount to "government-sanctioned serfdom" for the affected aliens.

Moreover, these two basic defects feed on each other. A secure worker identification system would interact with a less condition-laden amnesty program so as to greatly strengthen the incentive for illegals to come forward. If employer sanctions were made effective by instituting a foolproof worker identification system, illegals would neither be able to get jobs nor to change jobs. This would therefore prompt many illegals to legitimize their status through amnesty. In short, the lack of a secure system of worker identification not only undermines employer sanctions but greatly weakens any amnesty program. Under the Administration's proposals the great bulk of the illegal aliens now present in the United States would go underground, remaining in a twilight status and with the breadwinners probably obtaining the necessary forged papers to get and change jobs with either innocent or conniving employers. This is the worst of both worlds with a vengeance.

A final problem with the Reagan policy package is that it retains the Task Force's recommendation of a 50,000-person guest worker program. From a political standpoint this proposal jeopardizes the whole package in that it is bound to provoke intense opposition from labor groups and yet fails to satisfy those who would like an expansionist policy. In evaluating this part of the Reagan program, it is useful to take a closer look at the debate surrounding guest worker programs, and especially at evidence from the past experience of both the United States and Europe.

Campaigning in Texas last September, Reagan called for a policy that would permit hundreds of thousands of Mexicans to enter this country and work on a temporary basis. Some of the President's longstanding supporters—Governor William Clements of Texas, Senator Harrison Schmitt of New Mexico, and Senator Barry Goldwater of Arizona, as well as the National Council of Agricultural Employers—are keen supporters of such a policy, and it has at least some firm backing within the Cabinet. Earlier this year the White House Office of Policy Development under Martin Anderson developed a plan for a new guest worker program of 500,000 to 750,000 persons a year.

However, the Task Force in its official report to the President on July 1 “heavily recommended” a guest worker program of not more than 50,000 persons a year (indeed, a minority group within the Task Force was in favor of a program as small as 20,000 persons a year). Considering the fact that two-and-a-half million illegal immigrants a year are estimated to be flowing into this country (500,000 of whom stay), a guest worker program of 50,000 persons a year is a drop in the bucket, a token gesture that acknowledges, but fails to live up to, those campaign promises of less than a year ago. (The proposed 50,000-person figure is roughly the number that crosses the border on a fine spring weekend.)

Advocates of a guest worker program contend that such a program is an essential component of any program to control illegal immigration, both as a way to meet the labor needs of employers who now rely on the undocumented workers and to provide an additional “safety valve” for Mexico. They argue that special sectors of the U.S. economy have become dependent on an annual flow of immigrant labor, currently illegal, and that an abrupt cutoff of this flow (or limiting it to the numbers who could enter under the proposed Mexican ceiling for permanent legal immigration) will add seriously to what are already likely to be frictions with Mexico over the whole of the new policy, while possibly creating unwanted political instability there or elsewhere.

On the other hand, opponents have a host of arguments on their side. A special group of temporary legal workers inevitably raises its own serious questions of legal and human rights, as well as nightmarish problems of selection by the sending country and allocation within the United States. If an agreement were made exclusively with Mexico, would not other countries object, under today's conditions? And even if there are spot shortages previously filled by temporary illegal labor, should there not be determined

efforts to fill these with American citizens or aliens already present, and especially to ensure that standards of pay and treatment are brought up to levels that would attract such labor?

Some of these arguments have particular force in the present U.S. economic situation. Others are illustrated by a brief look at the record of past guest worker programs in the United States and at the postwar experience in Western Europe. The Select Commission, in reaching (by omission) its clear conclusion against any guest worker program, had available extensive research on these historical experiences. The historical evidence alone does throw a sharp and questioning light on the idea.

The first guest worker program in the United States was initiated only months after this nation enacted what was then the most restrictive immigration legislation in its history—the Immigration Act of 1917. This temporary worker program was a response to strong pressures from the large agricultural employers of the Southwest who wanted to maintain a cheap labor force, and was first described as a temporary farm program, although it later was expanded to allow some Mexican workers to be employed in nonfarm work. Partly justified as being a necessary part of the war effort, the program was ended in 1922 because organized labor contended that it undermined the economic welfare of citizen workers, and because many people believed that there were no labor shortages, only greedy employers who wished to secure economic gains from cheap docile workers. During the life of this program, 76,000 Mexican workers were admitted to the United States, one-half of whom eventually returned to Mexico.

In World War II, the military drain on U.S. manpower led to assertions that another labor shortage existed in the agricultural sector. Despite some hesitation on the part of the Mexican government (prompted by the discriminatory treatment accorded to the people of Mexican ancestry throughout the Southwest), negotiations between the two governments resulted in a formal agreement in 1942, and the Mexican Labor Program, better known as the Bracero program, was launched. Under this program, which continued in various guises until 1964, Mexican workers were afforded numerous protections in the U.S. labor market with respect to housing, transportation, food, medical needs and wage rates.

The most dramatic effect of the Bracero program was to lower wage costs for agricultural employers and to adversely affect the employment opportunities of citizen workers in the United States, particularly the Chicanos who composed the bulk of the South-

western agricultural labor force. At the program's peak, almost one-half million Braceros were working in the agricultural labor market of the Southwest. This availability of Mexican workers significantly depressed existing wage levels in some regions; modulated wage increases that would have occurred in their absence in all other regions; and sharply compressed the duration of the employment many citizen farm workers could find. They simply could not compete with Braceros, who as captive workers had little option but to respond to the demands made upon them, and were thus especially appealing to many employers. As a consequence, the Bracero program has been seen as a significant factor in the rapid exodus of rural Chicanos between 1950 and 1970 to urban labor markets, where they were poorly prepared to find employment and housing.

Perhaps the most lasting impact of the Bracero program was its exposure of hundreds of thousands of penniless Mexican workers to the wide array of economic opportunities that were available in the U.S. economy. Both during the Bracero years and immediately following the program's termination there was an accelerated growth in the number of illegal immigrants, many thousands of whom were former Braceros. Although clearly the Bracero program did not create the underlying economic incentives for illegal immigration, it did serve to highlight those incentives in an immediate and compelling way, and directly contributed to the size of the contemporary immigration problem.

The Bracero program was unilaterally terminated by the United States in December 1964. By then it was under strong attack by all groups who had an interest in the welfare of domestic labor, and the program had soured relationships with Mexico (due to the mistreatment of Mexicans and the corruption which had grown up in and around the allocation of work permits). The retrospective judgment of most scholars in the field is that the program stimulated illegal immigration, did little to end the exploitation of Mexican workers, and had an adverse effect on the wages and working conditions of domestic U.S. agricultural workers.

Europe admitted over 30 million workers for temporary employment outside permanent immigration channels between the mid-1950s and the early 1970s. The chief driving forces behind this massive inflow were the high growth rates and labor shortages experienced by many European countries in the 1950s and 1960s; the assumption was that migrants could be imported to fill job vacancies, and that when growth rates fell these migrants could

be returned to their homelands. This assumption turned out to be false. As Swiss author and playwright Max Frisch put it, "We asked for workers, but human beings came."

The main receiving societies in the European guest worker program were the nine countries of the European Economic Community (EEC) (excepting Ireland and Italy) and non-EEC Sweden and Switzerland. The sending countries included Ireland and Italy, Portugal, Spain, Finland, Greece, Turkey, Yugoslavia, Algeria, the Sudan and Morocco. France and West Germany recruited 70 percent of all guest workers, but guest workers had their greatest impact in Switzerland, where in 1970 nearly 35 percent of the workforce was foreign.

The program reached its peak in the early 1970s. By 1973 Germany employed 2.6 million guest workers; Switzerland 887,000; and Sweden 200,000. In that year remittances to labor-sending societies topped six billion dollars. Recruiting was abruptly halted, however, in the wake of the 1973-74 energy crisis, and at that point most European countries adopted a three-pronged strategy for coping with their foreign populations. Migrants were encouraged to return home (France, for instance, instituted departure grants of \$4,500 plus airfare for a family of four), bilateral assistance programs were offered to labor-sending countries to create more jobs in those nations, and there were attempts to integrate those guest workers who remained.

None of these solutions was very successful. Some guest workers who had overstayed their welcome responded to threats and bribes and went home, but many stayed, raising serious new questions of policy. What rights did the spouses and dependents of already migrated workers have? What rights did such dependents have to seek employment in the host country? Many European nations eventually gave guest workers full legal rights, but it was a costly business, as domestic unemployment rates were rising in the mid-1970s and citizen workers resented what they saw as unfair competition for jobs from ex-guest workers and their dependents.

Ten to fifteen years later, the net result of the European guest worker experience is a smaller foreign workforce (approximately five million persons, with no new recruitment of workers), an increasing foreign population (approximately 12 million) as dependents join ex-guest workers, and a host of economic, social and political problems that these nations have not yet resolved. For example, in Switzerland and France 30 percent of the foreign population is under 15 years of age, and in both countries efforts to integrate these foreign youths into the school system and into

the labor market have largely failed.

Perhaps the most telling result of the European experience with guest worker programs is that even if unemployment decreases and job vacancies reappear, few observers expect labor-short countries to revert to temporary workers again.

Faced with a battery of arguments from the experts, and this evidence from the previous experiences of the United States and Europe, it is no wonder that the Select Commission rejected any form of guest worker program and that the Presidential Task Force backed away from recommending a large program. The Task Force was probably also influenced by the fact that domestic opposition to such a policy initiative has been building up. The National Committee for Full Employment (a coalition of church, civil rights, Hispanic American and labor groups) has said that "it makes no sense to bring additional workers to the United States when there are eight million unemployed."³ Equally firm in their opposition are the AFL-CIO, the League of United Latin American Citizens, and the Mexican American Legal Defense and Educational Fund. One of the main concerns of these groups is that guest workers are likely to become a permanent subclass of employees, subject to exploitation, and capable of dragging down wages and working conditions for all unskilled and semi-skilled citizen workers. This is particularly hard to swallow at a time when the Reagan Administration is trying, with its "workfare" reforms of the welfare system, to bring a new class of displaced industrial workers into competition for low-paid jobs. It must be remembered that the Bracero program was born as a result of a severe wartime labor shortage and that the European guest worker programs were triggered by national unemployment rates as low as one percent a year. The United States in 1981 cannot begin to justify a guest worker program on similarly clear-cut grounds of labor shortage.

If a new large guest worker program is difficult to defend and politically dangerous, moreover, attempting to institute a small pilot project will get the Administration into as bad if not worse trouble. A small program will spin off as many bureaucratic headaches as a large one (e.g., How is such a program to be designed? Who is going to administer it? What are its ground rules?). It is also likely to run into as many issues of principle, (e.g., How do you define the civil rights of non-citizen workers?). Yet a small program will neither serve the purpose of U.S. employers nor maintain the "safety valve" for Mexico. The sug-

³ *The New York Times*, May 11, 1981, p. B8.

gested 50,000-person yearly quota will not staff the sweatshops and restaurant kitchens of New York City, let alone provide for the manpower needs of California growers. And Mexican officials see a guest worker program of that size as at best an irrelevancy, at worst an insult.

v

When President Reagan was framing his new policy package on the immigration question in July of this year, he faced three options. He could ignore the main thrust of SCIRP and his own Task Force, and, by utilizing a large (or very large) guest worker program, legalize and continue the massive inflow of cheap labor into this country. Or he could adopt the recommendations of the experts, and bend his considerable powers of persuasion to the purpose of getting a tougher and tighter new policy through Congress. Or he could, in essence, lose interest in a new national immigration policy, and by presenting an incoherent and ineffective policy package, allow the issue to abort itself. After all, the current mess has the virtue of allowing into the country all those cheap exploitable people without anyone (least of all a government) having to take responsibility for them.

The first policy option was effectively excluded when the President accepted his Task Force's rejection of a large guest worker program. The arguments, the evidence and the domestic opposition were just too heavily weighted against it. As a large guest worker program is probably the only legitimate way of maintaining the current huge inflow of labor, the barring of this policy option was a serious blow to Reagan's desire for cheap imported labor.

The second policy option was, and is, politically unappealing to Reagan and his Cabinet. In plain terms, they are unwilling to pay a large price (in terms of employer support—principally in the Southwest—as well as Mexican demands) for a more restrictive new policy along the lines of the SCIRP recommendations or those of the Task Force. We must remember that the beneficiaries of such a policy would be low-income Americans (young people, minorities, women) who would have a better chance of getting a job and could win better conditions on the job if the inflow of immigrants were reduced. They form a coalition which is neither well organized nor politically vocal, and their influence—particularly with the current Administration—is not large. In the long run it clearly seems in the national interest to enact a tough new policy which will prevent an escalation of those problems de-

scribed at the beginning of this paper. But it is hard for any President elected for a four-year period to think in the long run, especially when the immediate beneficiaries of such a change in policy have little to offer in return.

Having discarded options one and two, President Reagan has in effect adopted the third option, a policy package with little internal coherence or force. In its present form it is almost certain to be greatly modified by Congress. Pressure groups are beginning to mobilize against it, and our legislators are too well educated on the issues involved to allow such a flawed set of policies through. It is also true that Reagan is unlikely to pursue his new policy with much enthusiasm or vigor. After all, he was persuaded to give up his preferred policy option and has little political capital invested in the version finally adopted on July 31. The passage of a new immigration policy can never be easy, given the way traditional political coalitions are at odds on this issue, and serious commitment on the part of the President might well be a necessary condition for any new policy to stand a chance of success.

The upcoming debate on the President's package is likely to affirm the view of the advisory committees, that it is in the long-term national interest of the United States to gain control over illegal immigration and to limit the rate at which people are flowing into this nation. Such a policy would enable the United States to better protect the jobs and working conditions of millions of its less-privileged citizens, prevent the exaggeration of racial and ethnic tensions within our society, and provide for the human rights of those millions of illegals now underground.

It should be obvious from the previous discussion that any serious effort to achieve these policy goals has to include the following four elements: a tough set of employer sanctions, a reasonably foolproof system of worker identification, better control of the borders, and an amnesty program that encompasses enough carrots and sticks to make it work. In addition to this core program, measures should be taken to minimize the adverse impact of a new immigration policy on countries which the immigrants seek to leave.

Employer Sanctions. An amendment to the Immigration and Nationality Act to make it unlawful for employers to hire workers who are not in the country legally is essential to effective immigration control: only this can greatly weaken the economic incentive for workers to cross the border illegally. Employers who break this law should face a penalty which is severe enough to constitute a reasonable deterrent, e.g., a fine of \$5,000 per illegal alien hired.

Repeated infractions of this law should carry criminal penalties.

Worker Identification. Employer sanctions cannot work unless employers are also provided with a reasonably foolproof method for determining worker eligibility. If the Social Security card could be made counterfeit-proof, it would serve this purpose. There are, however, several objections to this solution. Social Security officials argue that the card was never intended to be an identifier, and that its use for that purpose would overburden the fragile Social Security information system. It is important to remember that the Social Security apparatus is primarily concerned with verifying the legitimacy of those who receive the benefits it pays out, and it has little incentive—and few mechanisms—to prevent extra people from paying in.⁴ Any departure from that traditional emphasis would likely be both costly and controversial. The cost of issuing new Social Security cards, according to a 1980 estimate, would be between \$850 million and \$2 billion. The suggested use of the cards as an identity document, moreover, has been sharply attacked by the American Civil Liberties Union (ACLU) and other groups, which claim that it would bring this country perilously close to the adoption of an internal passport.

Because of these objections, the Department of Labor, at the request of SCIRP, designed a “Work Authorization Enrollment and Verification System.” This system would not require workers to carry cards or employers to make any judgment about the applicant’s authorization for work. Instead, a federal agency (which could be the U.S. Employment Service) would determine eligibility for work and would verify the work authorization of all applicants for the employer. Job applicants would inform employers of their work authorization numbers, and employers would receive immediate verification by calling the agency’s toll-free number and noting the transaction number on the applicant’s record.

To safeguard civil liberties and privacy, the contents of these records would be strictly limited. The very limited information collected, and the separation of records, would eliminate any potential for identifying workers through employers or employers through workers. The system would not burden the Employment Service; on the contrary, “piggybacking” on the computing power and communications capability of a fully automated system could provide a much needed and valuable aid to traditional U.S. labor-

⁴This orientation was vividly illustrated approximately three years ago, when F. W. Woolworth Co. included an imitation Social Security card in a plastic wallet it was marketing. An estimated 30,000 people paid in on the card’s number for several months before being discovered.

exchange activities. For example, job openings, job banks and professional registries could be immediately available to the entire country. If this capability were to make our domestic labor market more efficient and reduce structural unemployment, the system would perhaps pay for itself in the long run.

The direct cost of this system would also be much less than estimates for the Social Security system. According to Department of Labor estimates, implementation costs would be \$87 million and operational costs would be \$200-300 million a year.⁵

Obviously, any new identification procedure would apply to all entrants and job changers and therefore would avoid the intensification of discrimination against "foreign-looking" people. And, although any new verification plan is bound to trigger fears of enhanced government surveillance or of an emergent internal passport system, it should be remembered that right now every worker in this country is supposed to have a Social Security number in order to hold a job. The fact that our current method of identification was designed to do something else and is cumbersome, inefficient and easily forged, actually opens the way to abuse of individual freedoms.

The work authorization system designed by the Labor Department for SCIRP would not require anyone to carry a card, would not place the responsibility for determining workers' legitimacy on the shoulders of the employer, and would add important new capabilities to our employment service. Clearly, there would need to be elaborate safeguards; but, as with other dimensions of immigration policy, the societal costs incurred by a failure to act far outweigh the risks of careful initiative.

Control of Borders. Better policing of the borders and a more effective method of detecting and deporting illegals who are already here should complement the measures described above. (We must remember that some illegal immigrants have no documents, while others originally came in on nonimmigrant visas, and stayed on in violation of the law.) As it stands, the entire Border Patrol of the INS is no larger than the force that guards the Capitol in Washington, D.C., and its record-keeping system is so bad that it is impossible to tell whether or not many people entering the United States with student or tourist visas ever leave. These control efforts should be rationalized, and the INS budget should be increased far more than the Reagan proposals envisage—to roughly double its present level of approximately \$350 million.

⁵A *Work-Authorization Enrollment and Verification System: A Technical Working Paper*, U.S. Employment Service, U.S. Department of Labor, Washington, October 1980, p. 4.

It should be stressed, however, that control of the borders can never substitute for broader measures such as employer sanctions. If jobs continue to be available to illegals, the pressures to cross the borders will be such that there will be no practical way of keeping undocumented aliens out.

Amnesty. A carefully balanced system of amnesty is essential if established illegal aliens are to come forward and legitimize their status. Amnesty is desirable for two reasons. It avoids mass deportation, which would be very damaging to the internal affairs of the United States as well as to the domestic economies of countries such as Mexico, and it solves the problem of continued underground existence for millions of people in this country. This state of affairs obviously invites exploitation and intimidation.

Any illegal immigrant who entered the United States before January 1, 1980, and who has been in continuous residence for three years, should be permitted to remain in the country as a permanent resident alien. Most resident illegals would qualify for this program, thus avoiding the problem of dealing with a class of temporary residents with restricted human rights. These new legal resident aliens would have the normal rights and privileges of permanent residents and would be allowed to bring in their close relatives (the normal country ceilings would be suspended until backlogs were cleared).

There are huge administrative and verification problems associated with any amnesty program, and the experience of other countries suggests that there has to be a carefully orchestrated system of carrots and sticks to persuade people to come forward. The fact that illegal aliens would be applying for permanent resident status and could then bring in their close relatives should make it an attractive and humane program. In addition, if an effective worker identification system were enacted at the same time as amnesty, illegals would have a powerful incentive to come forward for employment purposes (once such a system was in place, illegals could not change jobs). On the other side of the coin, a more effective INS system for detecting and deporting illegal aliens would be an important deterrent to staying underground.

VI

It is important to point out that the four measures described above are interrelated, so much so that if any one measure fails to be enacted, the policy ceases to achieve its overarching goals. For example, employer sanctions become unworkable without a fool-proof identification system, and amnesty will not be successful if deportation fails to become a credible threat, which in its turn,

obviously means more resources for the INS.

Beyond its internal benefits, the four-point program described above would have the further important advantage of maintaining a short-term "safety valve" for those countries which are the sources of illegal migration—again most notably Mexico. Under the program, as the Select Commission noted, there would be no sudden cutoff of the migratory flow, as the amnesty program would bring in several million Mexicans via the route of family reunification. Indeed, this policy would result in a type of migration particularly helpful to Mexico, as it would consist of a cross section of the population and not just prime-age males.

After the amnesty program has accomplished its purpose and the new immigration controls are in place, it might be appropriate to increase the ceiling for Mexican immigrants if labor market conditions within the United States warrant it. For example, if U.S. economic growth rates are relatively high (four to five percent per year) and unemployment is relatively low (five to six percent per year), it might be possible to raise the ceiling for Mexican immigrants without prejudicing citizen workers. However, if the U.S. economy is in recession, it becomes hard to justify an expansion of the Mexican ceiling. In short, the ceiling should be conceived of as a sliding scale (with the current level of 20,000 persons as a base) linked to the health of our own economy. When we are able to absorb additional Mexican workers we should indeed invite them in, but as permanent residents with full legal rights and not as illegals or as guest workers.

As well as easing the short-run costs of a tighter immigration policy, the United States should think creatively about promoting labor-intensive development within Mexico. For example, the United States could make trade concessions so as to increase Mexican access to the American market for certain types of labor-intensive products, and development assistance could be more finely geared to small-scale agricultural projects and land redistribution schemes. However, a word of caution is necessary here. It is unclear how much the United States can or should do in terms of influencing Mexican development policy. It is in our national interest that Mexico experience sound, balanced growth and political stability, but we must recognize that such goals can ultimately be reached only through Mexican leadership. We can be sensitive to this process and aid it with policies compatible with our national interest, but we cannot dictate its course.

Any explicit linkage of immigration policy with issues of trade or energy is probably unwise. The Mexican leadership, by and large, resents such linkage (it smacks too much of U.S. control),

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and policy areas such as energy respond more to world conditions of supply and demand than to any special favors exchanged between Washington and Mexico City (witness the dramatic turnaround of July 1981 when an oil glut pushed Mexico from a sellers' into a buyers' market in the space of 15 days).

In any area of policy, the United States must respond in the first instance to the needs of its own citizens. Although Mexico and indeed most of the Third World face enormous problems which migration can help relieve, the United States cannot be expected to put foreign problems ahead of its own (which at the present time are not inconsiderable). Along with other nation-states we have the fundamental right to protect our borders, and we cannot be expected to negotiate that right.

The program outlined above includes the essentials of a new immigration policy that would reduce and control the flow of people coming into the United States. It is important to stress that this policy package is not just another in a series of failed attempts to solve the immigration dilemma, but instead represents a comprehensive approach, backed by a powerful new consensus. The two major advisory committees (the Select Commission and the Presidential Task Force) ended up supporting its elements despite very different starting points, and there is evidence that key interest groups that were once opposed to its provisions are beginning to accept the need for such an approach. Although labor unions (which include many recently arrived Americans who waited years to come in legally) have long been bitterly opposed to amnesty for undocumented workers, the Executive Council of the AFL-CIO in August 1981 endorsed a version of amnesty which included the principle of family reunification. In a similar vein, the American Civil Liberties Union has become more muted in its opposition to a new worker identification system, and may soon be prepared to accept the system developed by the Labor Department for SCIRP.

Enactment of the necessary legislation to support this program will still face real obstacles, but the scope of the problem in itself should urge important new effort. We have to get our hearts in line with our heads, and our myths in line with reality. Many of us hate to say no to that worthy individual from the poverty-stricken country who just wants to do a little better; it seems selfish to say no, and The Lady in the Harbor would not understand. But America owes its first duty to its own disadvantaged, unemployed and poor. And that has to mean, sooner or later, restricting and controlling entry into this country in the fashion of other nations.

Susan Kaufman Purcell

**MEXICO-U.S. RELATIONS:
BIG INITIATIVES
CAN CAUSE BIG PROBLEMS**

The United States recently “discovered” Mexico. Potential oil reserves of 200 billion barrels helped focus our attention and sparked interest in forging some kind of special relationship with our southern neighbor. Concrete proposals range from a North American Accord or Common Market to less dramatic package deals that would swap petroleum for increased Mexican access to U.S. markets.

Unfortunately our timing is off. For years Mexico hoped our nearly 3,000-mile shared border would bring it special benefits. Instead it brought invasions, four occupations and the loss of half its territory to the United States. Now that Mexico has oil, its need for a special relationship with the United States is less compelling than ever before. Mexico may change its attitude as it gets accustomed to its new status, but in the meantime, U.S. initiatives for ambitious bilateral schemes are counterproductive. At this time of transition in Mexico-U.S. relations we could accomplish more if we tried to do less.

On the other hand, a prolonged oil glut may cause us to go too far in the opposite direction. Without an energy crisis, we may once again lose interest in Mexico. This would be extremely shortsighted since Mexico's importance to the United States transcends its oil. Our principal and permanent interest is a stable and prosperous Mexico. The power to achieve this is in the hands of the Mexicans. U.S. neglect, however, like excessive enthusiasm, makes their task more difficult by adding a rocky bilateral relationship to their list of problems.

Mexico's problems have not diminished with its new oil wealth. The unique political system created after the Mexican Revolution of 1910, with its ruling party and constitutional prohibition against reelection of the president, has given Mexico peace and

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allowed substantial economic growth. Both have been achieved, however, at the expense of the Mexican masses. Mexico entered the 1970s with one of the most inequitable distributions of income in all of Latin America. Oil promised to redress the balance and enable Mexico to have both growth and social justice. The initial returns from five years of "petroleum politics," however, are discouraging. Approximately 40 percent of the population is unemployed or underemployed and inflation is at an all-time high of about 30 percent. An overvalued peso is undermining manufactured exports. And the expansion of petroleum production from 0.8 million barrels per day in 1976 to 2.7 million barrels per day in 1981 has helped push the foreign debt to about \$50 billion.

The next few years will be crucial for Mexico. They will determine whether the country will have "an oil economy or an economy with oil." Nobody wants the former, yet it is not clear how to achieve the latter. President López Portillo has begun the search for a solution by selecting as his successor a man with impressive technocratic and economic expertise. Miguel de la Madrid will also be the first Mexican president to speak fluent English and have a degree from a major U.S. university. He will be in a good position to create a more positive Mexican relationship with the United States if the United States will let him do it.

II

Conventional wisdom has it that relations between Mexico and the United States went from bad to worse during the Carter Administration. Since President Reagan took office, relations seem to have improved so spectacularly that people in both countries are questioning whether the historical, psychological, political and economic obstacles to a good relationship between Mexico and the United States may have been overemphasized.

Perhaps they have been. The truth is, however, that Mexico-U.S. relations are rarely as good, or as bad, as they appear to be. Because of the large number of transactions that take place between the two countries, much of the relationship involves highly specific, detailed and day-to-day contacts and exchanges that either do not involve government or, if they do, fall within the jurisdiction of state and local rather than the federal government, particularly on the U.S. side. This has led at least one observer to conclude that relations between the Soviet Union and the United States are easier to manage than those between Mexico and the United States, since almost all aspects of the former relationship are controlled by the two national governments while

the number of "private players" in the latter is overwhelming. It also helps to explain why Mexico was able to move from being our fifth to our third most important trading partner (after Canada and Japan) during the Carter Administration, when Mexico-U.S. relations were supposedly in disarray.

There is little doubt that with the accession of Ronald Reagan to the U.S. presidency, the tone of the bilateral relationship improved markedly. There are several explanations. One is the closer fit between the personalities of Presidents López Portillo and Reagan, symbolized by the similarity between the "macho" gifts exchanged during their initial encounter: the stallion to Reagan and the rifle to López Portillo. Both Reagan and López Portillo are also noted for their concern with the big picture and their willingness to leave the details to subordinates, which was not true of Jimmy Carter. Finally, the Carter experience convinced both Reagan and López Portillo that a good personal relationship between the U.S. and Mexican Presidents was essential for good relations between their respective countries.

While a good personal relationship between the two Presidents makes it easier to manage problems between the two countries, it does not cause them to disappear. The meetings between Presidents Reagan and López Portillo have involved exchanges of ideas. No decisions on the hard issues have been taken. In part, this is because a Mexican president approaching the end of his six-year term tries to avoid making innovative decisions. Since de la Madrid will not take power until December 1982, issues involving the shape of the bilateral relationship are, in a sense, "on hold." Once they begin to be addressed, the differing perspectives of the two Presidents will become apparent. It is sobering to recall that Jimmy Carter's initial encounter with López Portillo was also a kind of love-fest. López Portillo was Carter's first official visitor and hopes ran high that a new and better era in Mexico-U.S. relations was beginning. They evaporated when the nitty-gritty issues, such as the price the United States was to pay for Mexican gas, began to be negotiated.

Mexico-U.S. relations were therefore worse than they appeared to be in the early years of the Carter Administration and better than they appeared to be at the end of his presidency. Progress was achieved in increasing the attention that U.S. policymakers gave to Mexico, as well as their sensitivity to the bad effects that domestic decisions might have on Mexico. This was accomplished in part through the establishment of a "consultative mechanism" consisting of bilateral committees that met regularly to discuss

issues such as trade, energy and migration. It was also enhanced by the creation of an office in the State Department to keep track of and coordinate decisions of the U.S. government that affect Mexico.

In terms of what the Carter Administration hoped to achieve, however, its accomplishments fell far short of its intentions. In the area of energy, for example, the Administration succeeded in negotiating an agreement that gave the United States an assured supply of Mexican natural gas and Mexico an assured market for its gas. The way the negotiations were handled, however, damaged the overall bilateral relationship. Mexico thought it had a binding agreement in 1977 to sell natural gas to six U.S. oil companies at \$2.65 per thousand cubic feet. President López Portillo had worked hard to get Mexicans to accept this price, which was lower than many thought acceptable. He had also allowed construction of a pipeline to the Texas border, despite the nationalistic uproar this produced. After a flamboyant announcement of these decisions by the Mexican President, Secretary of Energy James Schlesinger killed the agreement because the price was too high. This embarrassed President López Portillo. The new purchase price finally agreed on in 1979 saved the United States some money but lost it substantial goodwill in Mexico.

In the area of trade, the Administration did not achieve a major objective. Convinced that Mexico—and the United States—would benefit from a gradual but significant reduction in Mexican protectionism, the United States tried hard to persuade Mexico to join the GATT (General Agreement on Tariffs and Trade). The issue was widely debated in Mexico, where opinion was divided. Because the United States appeared so eager for Mexico to join, many Mexicans assumed that GATT membership would benefit the United States more than Mexico. López Portillo finally decided to postpone entry, in part because he believed that oil would substitute for GATT membership in enabling Mexico to attract new investment and increase the volume of its international trade.

Immigration policy fared no better. In 1977, the Administration sent a proposal to Congress that included an amnesty for undocumented Mexicans who had lived in the United States continuously since 1970, sanctions for employers of undocumented workers and a reinforced border patrol. It pleased nobody. Hispanics, supported by civil rights groups, feared it would make employers discriminate against them. Labor unions felt the proposed legislation was not tough enough. And employers argued that sanctions would require them to act as immigration agents.

The legislation died in Congress.

Any compilation of good intentions and bad results must also include the tactless mention by President Carter of "Montezuma's revenge" during a state dinner in Mexico in 1979 and the heavy-handed efforts to get Mexico to take back the Shah of Iran after he had received medical treatment in the United States. By the time Ronald Reagan was elected, the impression in both Mexico and the United States was that bilateral relations had no place to go but up under the new U.S. President.

III

Even before his election to the presidency, Ronald Reagan publicly supported the idea of a North American Common Market or Accord that would eventually allow goods and people to move freely among Mexico, Canada and the United States. He was motivated in part by a desire to increase U.S. access to Mexican (and Canadian) energy resources. He also believed, however, that the expanded market would benefit all three countries. Finally, as a former governor of California, Reagan was particularly sensitive to the growing interaction between Mexico and the United States.

As President, Reagan continued to support the idea of a North American Accord until August 1981, when the Administration announced that the lack of Mexican and Canadian enthusiasm made the concept unfeasible for the present. The idea of forging some kind of special relationship with Mexico, however, continues to have important supporters within the White House, State Department, Pentagon and Congress. Such a relationship fits easily into the Administration's policy of strengthening bilateral relations with strategically important and friendly countries.

Mexico, however, has its own plans. Although it would like good relations with the United States, it is also eager to expand ties with other countries. This will help Mexico escape the "special relationship" it has always had with the United States, one that many Mexicans compare with the relationship between a rider and his horse. The memory of the past, therefore, makes Mexico unenthusiastic about a new special relationship with the United States.

There is also a growing sense in Mexico that a special relationship with the United States would bring Mexico few significant benefits compared with the costs it would entail. The basic U.S. rationale for a special relationship would be enhanced access to Mexican oil. An obvious way of achieving it would be through a long-term agreement whereby Mexico would sell the United States

a specified number of barrels per day of petroleum, with the price dependent on whatever quid pro quo the United States might offer in return. Mexico, however, would find it difficult to make such a deal.

The nationalization of the oil industry by President Lázaro Cárdenas in 1938, after a bitter battle with foreign and particularly U.S. companies, transformed oil into a symbol of Mexican nationalism, sovereignty, dignity and independence from foreign domination. This explains why President López Portillo took a big political risk when he supported the construction of a natural gas pipeline to the U.S. border. Collapse of the first natural gas deal fanned anti-Yankee flames and strengthened opponents of the pipeline or of any major deal involving the supply of substantial amounts of petroleum or natural gas to the United States.

In addition, Mexicans place a high priority on maintaining maximum control over their country's internal economic and political decision-making processes. For this reason Mexico has not yet joined OPEC. This also motivated Mexico's November 1980 decision not to sell more than 50 percent of its petroleum exports to any one country. Mexico had been selling 80 percent of its exports to the United States. As one Mexican put it, "We were selling so much oil to Exxon that we were going to change its name to Mexxon." Limiting sales to the United States was a way of limiting U.S. influence.

Since the Administration of Luis Echeverría (1970–76), Mexico also has been increasingly interested in diversifying its trading partners. The 50 percent ceiling on exports to any one country gives Mexico more petroleum to sell to other potential buyers such as France, West Germany and Japan. This in turn enhances Mexico's ability to obtain investment commitments and pay lower prices for the technology it purchases from these countries.

Finally, Mexico has decided to play a larger role internationally, particularly in support of Third World goals. Its collaboration with Venezuela in the Caribbean Basin oil facility, which converts part of the purchase price of petroleum into low-cost loans for development, is an example of this commitment. So is the proposal for a World Energy Plan that President López Portillo presented to the United Nations in 1979.

If the current world oil glut continues indefinitely, however, Mexico might want a guaranteed market for its petroleum exports. Mexico's long-term commitment made in August 1981 to sell the United States petroleum for its strategic petroleum reserve, for example, followed hard on the softening of the oil market, which

reduced both the price and the amount of petroleum Mexico exported. Under prolonged glut conditions, though, the issue would no longer be whether Mexico wanted to sell, but whether the United States wanted to buy.

Although guaranteed access to specified quantities of Mexican oil would be of the greatest interest to the United States, Mexican decisions to liberalize trade also would form a highly desirable part of a special relationship from the U.S. perspective. Such decisions, however, would encounter obstacles within Mexico because of their link with prevailing concepts of nationalism and the role of the state in fostering Mexico's economic development.

Mexico's impressive level of industrialization dates from the 1940s and owes much to the efforts of the state to protect and nurture Mexican industry against foreign competition. Tariffs, import quotas and licenses, and government subsidies were, and continue to be, the main tools used to encourage Mexican industrial development. Attracted by the growing Mexican market, however, foreign companies got around Mexican protectionism by establishing subsidiaries within Mexico. This may have been the intention of the Mexican government. Nonetheless, the foreign subsidiaries soon discovered that they were veritable foxes in a protected chicken coop. Since the Mexican government, in bestowing its benefits, did not discriminate between Mexican-owned companies and foreign subsidiaries, the more technologically sophisticated and efficient foreign subsidiaries found they had a competitive advantage over their Mexican-owned counterparts. The increasingly obvious domination of the Mexican market by the foreign-owned subsidiaries produced pressures for their control. The result was a series of laws regulating foreign investment, the transfer of technology, and patents and trademarks. More, recently, the government has adopted so-called performance requirements that require auto manufacturers to trade off local content for exports. These performance requirements could be applied to other industries as the government attempts to further reduce costly imports and increase manufactured exports.

From the U.S. point of view, protectionist measures, regulations controlling foreign investment, and performance requirements restrict foreign investment, reduce trade between the United States and Mexico, and discriminate unfairly against U.S. manufacturers. To even the score, U.S. producers of steel, autos and petrochemicals are expected to bring countervailing duty suits against their Mexican competitors in the near future.

Despite the actual and potential costs to Mexico of policies that

restrict free trade, there is little likelihood that Mexico would agree to liberalize its trade policies significantly as part of a special relationship with the United States. As the decision to postpone entry into the GATT showed, Mexico still feels vulnerable to foreign competition and continues to resist agreements that remove economic decisions from government control. With oil, Mexico is in a good position to attract foreign capital, even despite foreign investment laws and performance requirements. This means that the benefits of significant trade liberalization will remain less important to Mexico than the ability to pursue a nationalistic economic development strategy, regardless of its inefficiencies.

A third area where Mexico could give the United States something that it truly wants is migration policy. Mexico could either take unilateral steps to reduce the flow of undocumented workers to the United States (now estimated to range between one-half and one-and-a-half million people annually) or cooperate with the United States in such an effort.

Although the U.S. government has asserted repeatedly that undocumented workers are a problem for both countries, many Mexicans see undocumented workers as a U.S. problem and a Mexican solution. Approximately 800,000 Mexicans enter the job market each year. This number will probably increase since half of Mexico's population is under 15 years of age and the population is growing by 2.7 percent annually. Mexico has rarely been able to create more than 350,000 jobs, with the notable exception of 1980. In the sense of making up the shortfall, migration of undocumented Mexican workers to the United States is seen as a "solution."

The only problem that Mexico has been willing to acknowledge publicly is the exploitation of Mexican citizens by U.S. employers. To the argument that Mexico has some responsibility for controlling the flow of undocumented workers, Mexicans often respond that such control violates the Mexican constitution and is impossible and unreasonable as long as U.S. employers are willing and eager to hire undocumented Mexican workers.

There are two ways in which Mexico could reduce the number of undocumented migrants to the United States. Both present problems. The first involves accelerating economic growth in order to increase job creation. This is essentially what occurred in 1980, when the economy grew by eight percent and the number of jobs increased by nearly 800,000. Rapid economic growth, however, exacerbated other problems such as excessive government spending, inflation and overvaluation of the peso.

The other alternative is policing its own people. This would be profoundly destabilizing politically. The addition of several hundred thousand Mexicans to the ranks of the unemployed also would be difficult for the government to manage successfully. Finally, the loss to the economy of the estimated three billion dollars that undocumented workers send annually to their families in Mexico could not be easily absorbed.

Mexico might be able to cooperate in regulating the flow of undocumented workers, however, if the United States were to propose a guest worker program that would allow large numbers of Mexicans to enter the United States and include safeguards against their exploitation by U.S. employers. The program proposed by the Reagan Administration allows for the entry of only 100,000 Mexicans over a two-year period and includes no such safeguards.

IV

Prospects for a special relationship between Mexico and the United States based on reciprocal concessions and mutual respect will be affected by the foreign policies of both countries. If Mexico and the United States continue to diverge significantly on issues of foreign policy, their differences could affect the bilateral relationship and make it difficult, if not impossible, for them to be forthcoming and cooperative with each other.

Until recently, differences between Mexican and U.S. foreign policies rarely affected the overall bilateral relationship. This was not because the two countries were always in agreement. The most consistent difference between them since the 1960s has been over Cuba. Mexico refused to vote in favor of OAS (Organization of American States) sanctions against Cuba, then refused to go along with the sanctions that were approved. Mexico also voted against ousting Cuba from the inter-American system. Earlier, Mexico did not support the 1954 vote condemning communism in Guatemala. Nor did it vote in favor of the inter-American peacekeeping force for the Dominican Republic in 1965. Mexico justified its positions on the basis of the two principles that have long underlaid its approach to foreign affairs—nonintervention and self-determination. Its emphasis on these principles is clearly related to its sense of vulnerability vis-à-vis the United States.

The great attention now being given to foreign policy differences between Mexico and the United States results from Mexico's increased activity in that area. Even before the quantity of Mexico's petroleum reserves was known, Mexico's high level of devel-

opment relative to other Third World countries made it an ever more obvious candidate for leadership of the "South" in the North-South dialogue. President Echeverría's interest in becoming Secretary General of the United Nations accelerated the process. The discovery of vast amounts of petroleum only intensified an existing inclination toward playing a larger role in world affairs.

Events in Central America also diminished Mexico's traditional reluctance to involve itself in world affairs. For a brief period in the early nineteenth century, Central America formed part of Mexico. More recently, it has been regarded by many Mexicans as Mexico's "natural" sphere of influence, although this is rarely acknowledged publicly. Central America, however, traditionally has been part of the U.S. sphere of influence as well. The fact that Mexico and the United States have different interpretations of the problem there, as well as different proposals for its solution, has made conflict over Central America an important issue in Mexico-U.S. relations.

Mexico's position is that political, economic and social changes in the region are long overdue and forces working to bring them about are now irreversible. Like the United States, Mexico does not believe that the only alternatives available are a "Cuban solution" or a right-wing military dictatorship. Unlike the United States, however, Mexico doubts the possibility or viability of a moderate or center-democratic solution and instead foresees a center-left regime that is pluralist, but not necessarily democratic, as the most likely outcome. Mexican policy is therefore aimed at supporting center-left forces in order to end political violence quickly and to exert a moderating influence on the victors. The September 1981 decision by Mexico and France to grant official opposition status to the Salvadoran Democratic Revolutionary Front (FDR) is a good example of Mexico's approach.

Mexico's analysis of both the problem and the solution in Central America is shaped by events in its recent past. The political elite that governs Mexico today came to power in the aftermath of the Revolution of 1910, which began as a rebellion against the dictatorship of Porfirio Díaz. In view of Mexico's revolutionary heritage, it is very difficult for its political leaders to align themselves publicly against revolutionary movements, particularly when these aim to oust repressive dictatorships. Furthermore, one of the great achievements of the revolution was the establishment of a civilian-dominated political system and the creation of a professional military establishment that is subservient to elected officials. A foreign policy that would reinforce military

rule in other countries runs the risk of enhancing the legitimacy of military rule in Mexico, with possibly serious consequences for domestic politics.

Mexico's revolutionary heritage also makes it less frightened of left-wing movements than is its northern neighbor. The coalition of political elites that has governed Mexico since the 1920s has included exponents of leftist ideologies and their lower class followers. New leftist leaders and their constituents have gained entry into Mexico's ever-expanding political system by means of a process of co-optation, whereby the government provides concrete and symbolic benefits to the leaders and their followers in return for their agreement to abide by the rules of the political game. This domestic co-optation strategy has been applied to foreign countries, such as Cuba, with equal success. During the 1960s, for example, Cuba actively supported guerrilla movements that appeared throughout Latin America in the aftermath of the Cuban Revolution. The Mexican guerrillas, however, received no such help and were easily defeated by the Mexican military. Cuba's nonintervention in Mexico is generally believed to have been the trade-off Mexico received in return for its consistent support of Cuba against the efforts of the United States and other Latin American governments to ostracize it. Mexico's experience with and treatment of leftist movements, therefore, helps explain its apparent complacency toward the possibility of leftist takeovers in Central America.

Moreover, Mexican foreign policy has generally been more progressive than its domestic policy in its support for revolution, social justice and equity. The Mexican government often seems to use a progressive foreign policy as a way of "paying off" leftist groups within the government coalition so that it does not have to make in Mexico the changes demanded by them.

Mexico's skepticism regarding the viability of a democratic solution in Central America also grows out of its own experience. Although Mexicans often refer to their government as democratic, it does not seem so by U.S. standards since the "official" political party is supported by the government and has never lost control of the presidency. While not democratic in the conventional sense, however, Mexico's political system is pluralist, in that power is shared, although not equally, by all major organized interests. Mexico's limited experience with traditional democracy, combined with its sense that its own history is more relevant to Central America than that of the United States, account for Mexico's greater tolerance of a nondemocratic solution for Central America.

Finally, it is important to note that in terms of U.S.-Latin American relations, Mexico clearly identifies with the dependent, vulnerable and long-suffering Latin American countries against the imperialist, hegemonic and interventionist United States. While the predatory and destructive image of the United States may be exaggerated in the case of South America, it is only slightly so regarding Central America. For this reason, many Mexicans feel that until U.S. policy toward Central America becomes more progressive, Mexican policy by necessity must fall to the left of it.

From the U.S. government's perspective there is little argument with Mexico's contention that the old Central American order is no longer viable. The disagreement arises over causes, with the Reagan Administration arguing that leftist revolutionaries, rather than the momentum produced by intangible social forces, mainly account for the current conflagration in the region. For this reason, the United States cannot support the center-left solution sought by Mexico: the radical leftists in such a government would easily eliminate the moderate elements and thereby transform each country into a hostile socialist regime allied with Cuba and the Soviet Union. (Events in Nicaragua since the 1979 Revolution are seen as confirming this point of view.) The United States rejects negotiations over power sharing supported by Mexico for the same reason, contending that the revolutionaries do not reflect the desires of a majority of the Central Americans and would be defeated in fair elections.

Because Mexico's policy toward Central America is so intimately linked with its own past and present, it seems unlikely to change once Miguel de la Madrid becomes president. This does not mean that Mexico is complacent about events in the region. Prolonged political instability at the very least will create a refugee problem for Mexico. (An estimated 20,000 people from Salvador alone sought entry in 1980.) There is also concern that a prolongation of the conflict in Central America will increase the power of the military within the Mexican political system. The recent purchase of F-5s by Mexico is considered by some as evidence that the process has already begun. While the government may see the F-5s as a way of giving the military its fair share of the wealth generated by petroleum sales, the militarization argument has some validity. Continued fighting in Central America, and particularly along Mexico's shared border with Guatemala, will require a better trained, equipped and perhaps more numerous military to keep the guerrillas out of southern Mexico. Even then

the difficulties of closing the border should not be underestimated.

If El Salvador and Guatemala have successful revolutions, Mexico's political system will come under even greater strain. Leftist groups within Mexico will feel that history is on their side and pursue more aggressively their demands for a more equitable distribution of Mexico's wealth. Radical leaders may even try to rally dissatisfied peasants and workers to their cause. The Right, on the other hand, would feel threatened by events in Central America and urge that steps be taken to control leftist groups within Mexico. This kind of polarization between the Left and Right occurred during the Cuban Revolution, for much the same reasons. It was ended by a combination of measures that included benefits for workers, peasants and members of "loyal" opposition parties, an increased use of revolutionary rhetoric by the government, repression of left-wing guerrillas and the already mentioned "agreement" that neutralized Cuba. There is no obvious reason why a similar strategy could not be used successfully in the event of leftist victories in Central America. Mexico undoubtedly will be affected by such events, but its political track record to date shows that it is not quite a helpless domino.

While some commentators in both Mexico and the United States believe that continued foreign policy disagreements will not only preclude big cooperative schemes but also obstruct day-to-day negotiations over smaller issues, the importance of the bilateral relationship to both countries makes the latter unlikely. Instead of allowing foreign policy differences to damage the bilateral relationship, Mexico and the United States will probably "agree to disagree" in the area of foreign policy and try to isolate their foreign policy differences as much as possible from other aspects of their relationship. There are limits to such toleration, however. Should the United States decide to send troops into Central America or should Mexico decide to give active support, including weapons and training, to leftist guerrilla movements in the area, the bilateral relationship would be severely impaired.

v

The United States has often been characterized as a future-oriented country that easily and perhaps conveniently forgets the past. Imaginative, optimistic and even idyllic projections of intense Mexico-U.S. cooperation partially reflect this aspect of our national character. Such positive thinking is probably necessary for achieving an improved bilateral relationship. It becomes counter-productive, however, when carried to the extreme of believing

that "the future is now."

Like the United States, Mexico is also preoccupied with the future. But it is also very concerned with redeeming its past. This acute sense of history acts as a constraint against efforts by Mexican presidents to move Mexico toward a closer embrace of its northern neighbor. President López Portillo probably pushed the limits of Mexico's toleration of a more cooperative relationship to their extreme. His decisions to build a gas pipeline to the United States, to grant the Shah of Iran sanctuary, and to sell petroleum to the United States for its strategic petroleum reserve, as well as his deliberate effort to replace the anti-U.S. rhetoric of Mexican government officials with positive remarks, were potentially costly gambles that required political vision, sensitivity and courage. López Portillo's successor will probably continue his efforts to fashion a better relationship with the United States based on mutual respect. In order to do this successfully, he will have to be ahead, but not too far ahead, of the Mexican people.

These considerations, as well as the underlying realities of the bilateral relationship already discussed, lead to the conclusion that if big initiatives are to be proposed, Mexico should propose them. The very act of proposing them would indicate their feasibility on the Mexican side. It would also signal a Mexican belief that the United States was both disposed and able to meet Mexico at least halfway. U.S. policymakers would probably find it difficult to leave the initiative to Mexico, since this would constitute untraditional behavior. But if we expect Mexican leaders to act differently toward us from how they have behaved in the past, we should be willing to make equally profound changes in our own behavior toward Mexico.

In the meantime, much can be done in the United States to increase our receptivity to Mexican initiatives, should they be forthcoming. Any proposal for large-scale cooperation involving the entry of goods and people from Mexico would doubtless affect adversely some U.S. groups and interests. But if people working on U.S. domestic policy and those concerned with Mexico-U.S. relations began talking to each other now, we could minimize the costs and maximize the benefits of any special relationship that might be proposed. This is one U.S. initiative Mexico would welcome.

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CANADA, THE UNITED STATES AND THE WORLD ECONOMY

Relations between Canada and the United States have become more strained than at any time in recent memory. There have been many earlier periods of tension, but the policy orientations of the two capitals in late 1981 appear to be far more divergent than in the past. The two governments seem to be on a collision course, in a context that political leaders cannot fully control.

Under the Reagan Administration, Washington is currently intent upon further liberalization of the economy, domestically and internationally, and upon reducing the distorting role of government intervention in key sectors. Ottawa seems to be seeking means to insulate itself, not only from the U.S. economy but from other undesirable external economic forces, while moving to enhance rather than reduce the government role in shaping the Canadian economy. As we shall see, Canada has its own varied list of complaints and grievances against the United States. But it is the list of American complaints that has now become both long and much more focused on basic policy differences.

The most contentious issues are the new Canadian National Energy Program (NEP), the expanding role of the Foreign Investment Review Agency (FIRA), the recent establishment of new official bodies to insure adequate benefits to Canadians of major energy and other natural resource projects, and various other efforts to discriminate against outsiders and favor Canadians. Some of these policies and official activities so boldly challenge U.S. government policies and private industry interests that some members of Congress and representatives of private firms have pressed for strong counteraction. The Department of Commerce

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has taken a broad survey of American business to identify grievances, and the U.S. Trade Representative has said that the initiation of a comprehensive investigation of Canadian policies is being considered, under a section of the law that authorizes retaliation if it is found that another government's policies unfairly affect U.S. commerce.

Beyond these bilateral concerns, the perception in Washington is that Canadian nationalism is taking forms that contravene the international trade and investment rules to which Canada has in the past committed itself. This in Washington's eyes challenges the entire international framework of cooperation and mutual restraint that has been painstakingly built since the Bretton Woods conference in 1944. At the very time when Washington is seeking further liberalization of the world economy and greater reliance on market forces in global development—in line with its drive toward freer markets at home—Canada seems to be standing in the way both ideologically and practically.

In earlier periods of strain since the end of the Second World War, mutual sensitivities and efforts to moderate policy differences sooner or later prevailed in the two capitals. Canadian leaders have often felt a political need to demonstrate Canada's autonomy and independent identity, but behind the scenes of the political drama there has usually been a pragmatic recognition in Ottawa of the realities of Canada's economic dependence on its neighbor. Attitudes of economic nationalism, a latent popular force in every country, have periodically been exploited, but they have never been allowed to be carried too far.

For their part, U.S. authorities have usually recognized the special difficulties that Canadian governments faced: not only heavy dependence on the United States, but also fundamental divisions within Canada which have stood in the way of asserting a national identity. A certain amount of Canadian economic nationalism has therefore been tolerated by U.S. officials, and even by Congress, over the years. American Presidents in any event have usually desired a friendly relationship to prevail across the border, and meetings of the President with the Prime Minister have traditionally accented the positive and glossed over specific frictions.

In sum, it was widely recognized on both sides of the border that there was a "special relationship." As recently as the congressional consideration of the Trade Act of 1979, there was sentiment in both Congress and the Executive Branch that this special relationship should be enhanced, perhaps through a continental

effort to liberalize trade relations. During his presidential campaign, Ronald Reagan suggested that serious consideration be given to the possibility of a new economic accord on trade relations with America's neighbors in North America.

All of that thinking now seems to have come to an end. The special relationship no longer seems to have meaning. The rhetoric of recent policy statements by U.S. officials has openly condemned Canadian economic policies, and in reply Canadians have accused the United States of bullying Canada and of trying to prevent Canadians from asserting their independence and achieving autonomous development of their own economy. While the public exchanges between the two capitals have become more moderate in the fall of 1981, this simply reflects a sober and quiet rethinking, driven by acute frustration in Washington with Ottawa's boldness, and by irritation in Ottawa over what is perceived as America's overreaction.

A collision of interests and policies between the two nations would be dangerous to both, since the ensuing conflict would not be readily controllable. The ability of the U.S. President to manage commercial policy is limited by the independent ability of industry, labor, Congress, and even the courts to take initiatives of their own. On the other side of the border, the polls indicate that "Canadianization" policies are widely supported. Direct attacks on Canadianization efforts would only serve to entrench those policies further.

The two nations therefore confront an urgent choice among what are essentially three conceivable options. One would be inaction, leaving ongoing issues unresolved, and letting tensions rise. A second would be to treat each issue on an ad hoc basis, accepting that this runs the risk of generating a series of specific confrontations. But there is a third option—which we propose and strongly urge—namely to reconstitute and formalize the "special relationship" through establishment of two bodies, namely a bilateral commission to assess the widening array of problems and recommend interrelated answers to them, and a joint Cabinet Committee to monitor problem areas and to review the recommendations of the bilateral commission. In any event, a choice among these three options cannot long be avoided.

II

The present direction of Canadian policies is not new. Its roots lie deep in Canada's history and its long search for a national identity. The effort to shield Canada while it developed in its own

way began with the origins of the nation itself.

Canadians are repeatedly reminded, from their school days onward, that Canada's very existence rests in large part on the desire not to be American. Repugned by the 13 colonies to the south which had violently broken with the British Crown, more than a century ago Canada set out to protect itself from the political and economic influence of its southern neighbor. Numerous efforts were made from the very beginning to define and develop an independent economy. The construction of a coast-to-coast railway was presented as the "national dream" of a unifying link between East and West, as well as a counterweight to the more natural North-South trade and immigration links. The National Policy established by Canada's first Prime Minister, Sir John A. Macdonald, set the tone for a highly protectionist tariff structure, which endured well into this century. Even after trade became freer, there persisted a major strand in Canadian thinking that industrial development should be at least partially insulated from external pressures.

In 1867, the drafting of the Canadian constitution, with its emphasis on "peace, order, good government," created a framework whereby government intervention and collective action were not only tolerated but anticipated and accepted. The drafters intended a clear contrast with the American emphasis on "life, liberty, and the pursuit of happiness," which was often said to reflect a "maniacally individualistic" United States. Throughout Canada's history, government and Crown corporations have proliferated. When the Conservatives proposed in 1979-80 that Petro-Canada, the national oil company, be broken up and privatized, the subsequent public controversy became one of the election issues which contributed to the defeat of Prime Minister Joe Clark's Progressive Conservative government. In contrast, the current Prime Minister, Pierre Elliott Trudeau, has drawn broad support in selecting policies which expand the role of governmental chosen instruments (e.g., Petro-Canada in the energy sector; the Canada Development Corporation in industry; Telesat in satellites; Canadair, DeHavilland and Spar Aerospace in aeronautics).

The broad public support for collective action gave birth in the 1950s to policies that gave greater priority to income redistribution and egalitarianism than to economic growth and productivity. Since then, Canada has been developing a complex system of intergovernmental transfers designed to equalize revenues among the provinces, and set average standards of services nationally.

Concurrently, the network of social, health and unemployment benefits was expanded well beyond that of the United States. Pursuit of the “just society” became the central thrust of public policy. Political rhetoric distinguished Canada’s goals and policies from those of growth-oriented, materialistic Americans. Despite similar life-styles and values, Canadians are often encouraged by their political leaders to feel that they hold higher values than the United States and its people—more tolerance, more concern with social justice and equity, less crime and violence.

This differentiation of Canadian values has been part of the continuing effort to develop an independent national identity, in the face of the pervasive influence of the United States. Prime Minister Trudeau once put the problem bluntly to President Nixon: “Living next to you is like sleeping with an elephant. No matter how friendly the beast, if one can call it that, one is affected by every twist and grunt.” Canadian law and policy are often developed in an atmosphere of frustration. The United States dominates the economy of the non-communist world, and Canada has always felt itself by comparison to be weak and with little influence. At the same time, Canada does two-thirds of its trade with the United States. Canadians have been unwilling to cut themselves off from the most important market in the world for capital and technology, and the management styles and objectives in the two countries are very similar. There is a U.S. influence on every aspect of Canadian culture. Travel between the two countries, especially Canadian travel toward the United States, has meshed the two countries together in a way which is unique.

As Canada gradually unravelled its ties with the British Crown in the postwar years, efforts were intensified to avoid having a greater American presence replace the British influence. Except in Quebec, where linguistic differences provide a partial barrier vis-à-vis the United States, Canada from the late 1950s onward has been increasingly sensitive, almost to the point of paranoia, over U.S. influence. Economic nationalism in Canada has always come in waves, and the wave that began at that time reflected this underlying sentiment.

Thus, U.S.-Canadian negotiations in the early 1960s on the structure and treatment of the border-straddling automotive industry were an effort not so much to solidify friendship as to mitigate the virulence of economic nationalism in Canada. Continued complaints on the part of businessmen as well as government spokesmen about the “branch plant” and “miniature rep-

lica" effects of U.S. investment in Canada finally led to the Watkins and Gray reports on foreign investment and these in turn to the creation of FIRA (the Foreign Investment Review Agency). This body not only screens the merits of foreign investments and foreign takeovers of Canadian assets, but guides the nature and scope of such investments, by negotiating the specific conditions under which a foreign firm might be allowed to invest. When it was conceived, FIRA was intended to become Canada's most important tool to limit access to its markets and to guide Canadian industrial policy. At first its influence on foreign businesses was weak, but in recent years it has become more aggressive and effective.

During the 1960s and 1970s, a substantial amount of Canadianization did take place in the field of investment. The Chairman of the Royal Bank of Canada, Mr. Rowland Frazee, recently observed that the share of foreign ownership of Canadian assets has been falling significantly.¹ In 1961, total foreign investment was one-third of the net Canadian capital stock (a measurement of the book value of all investment in Canada, public and private). By 1971, it had declined to 27 percent. By 1977, the last year for which figures are available, it was down to 23 percent.

In parallel with this drive at home, the Trudeau government at the start of the 1970s considered three options for its foreign policy, and especially for its policy toward the United States. The first option was to maintain the existing U.S. relationship, with a minimum of policy adjustments. The second was closer integration with the United States. The third option was, in the words of Mitchell Sharp (then Secretary of State for External Affairs), "a comprehensive, long-term strategy to develop and strengthen the Canadian economy and other aspects of our national life and in the process to reduce the present Canadian vulnerability." As a result of its comprehensive review, the Canadian government decided to pursue vigorously the so-called Third Option. A central aim of this foreign policy was to diversify trade away from the United States and toward the European Community and Japan. By the end of the decade this effort to alter the pattern of economic ties had clearly failed. Canada's reliance on the U.S. market for sales of its exports actually grew, to the extent that roughly 70 percent of Canada's exports now flow south across the border.

Nonetheless, slowly but surely, Canada has been moving to set itself apart from the United States. Canadian political leaders

¹ "Foreign Ownership in Canada: The Need for a Balanced View," remarks prepared for delivery to the Canadian Club of Winnipeg, October 19, 1981.

have not only encouraged this divergence, but developed numerous policies and institutions aimed at sharpening the differences while shielding Canada from unwanted influences and manipulation. That these actions were not confined solely to the economic field simply reflects the depth of feeling—for example, one of the most conspicuous was the Canadian legislation in 1976 to constrain advertisement by Canadians in U.S. publications and TV broadcasts available in Canada, unless the Canadian content was significantly increased.

And in the late 1970s there has been a growing link between rhetoric and proposals concerning U.S. influence, and the internal political struggle within Canada. As Quebec expressed its separatist views more clearly and the other provinces sharpened their differences over the economic and political dimensions of provincial relations, the federal government saw that the weak sense of Canadian identity provided an opportunity to exploit anti-Americanism. This provided a counterweight to the separatist drive of Quebec, and to the pressure to yield more economic and political power to the other provinces.

But these political controversies are themselves reflections of the underlying problem of identity. Essentially, Canada's effort to shield itself from external influence and manipulation remains part of a historical search for that identity. It is not new, and it will likely continue. Attempts to deal with it as if it were novel or a passing outburst—the tendency in Washington today—only aggravate the tensions, making many Canadians feel that U.S. leaders simply do not understand how deep the differences run.

III

The return of Pierre Elliott Trudeau to power in early 1980—after a year of Progressive Conservative government had interrupted his tenure dating from 1968—led directly to the constitutional crisis of 1980–81, which has further strengthened the historical forces behind economic nationalism and anti-Americanism. In fact, just as the present Canadian federal government is determined to cut “colonial” political ties with Britain through patriation and amendment of the constitution, it appears as determined to reduce “colonial” economic ties with the United States. All the issues that had arisen in the 1960s and 1970s, including friction over energy policy and concern about American dominance of the oil industry, have reached a new pitch, with the current federal government encouraging the fear of external influence.

The deep divisions within Canada, as between the western,

central, and eastern provinces, reflected differences among the political parties as well as on the philosophy of the appropriate federal-provincial relationship. Many groups were brought into battle, not only among themselves but against outside forces that help divide the nation. Concern with independence and sovereignty vis-à-vis the United States is currently reinforcing a number of ideological positions which, in essence, are anti-American. The growing environmental movement in Canada is continually attacking U.S. polluters, particularly blaming them for the acid rain which is falling on Canadian lakes and forests. Both the socialist groups and the wider public that supports a strong government role in shaping the economy are upset by Reaganomics. The pacifists are dismayed by the neutron bomb and the confrontational posture of the United States toward the Soviets. The supporters of the anti-growth school are distressed by the U.S. push toward revitalization and renewed high growth. A general distrust of multinational enterprises, a preoccupation that profits are being repatriated to the United States rather than invested in Canada, a perception that U.S. corporations concentrate their research and development efforts at headquarters rather than dispersing their research expenditures in Canadian affiliates—all of these feelings have created a fertile environment for an even more assertive, nationalistic array of Canadian policies.

When he returned to office in March 1980, Mr. Trudeau had not campaigned on major issues and therefore had a free hand. He considered his mandate to be defined by the public rejection of the Conservatives and their policies. His political agenda was clear: contain the Quebec separatists, constrain the efforts of the other provinces to pull away from federal leadership, and establish a new constitution. The historical importance of keeping Canada together, and drawing up a new constitutional foundation which gave the nation true independence, dwarfed all other considerations. But the politics were awkward. The government's majority was centered almost entirely in Ontario and Quebec. While Ontario once held all the economic cards, the international oil shocks of the 1970s brought about a major shift in capital resources to the oil-rich and gas-rich West.

The National Energy Program was devised to correct the shifting balance of power. A massive restructuring of the industry is sought by altering the price structure, taxes and incentives for development on provincial lands, so as to favor the creation of a new industry on federal lands, outside the reach of the provincial governments. The new industry would be supported with revenues

siphoned off from the producer provinces and the old industry located on provincial lands. Furthermore, it is intended that the national oil company, Petro-Canada, be strengthened, both by offering it more liberal incentives and by making its acquisition of assets of private companies easier. Thus the NEP establishes a discriminatory framework of aid, in which Petrocan will get most, and foreign subsidiaries will be the most disadvantaged. A range of intermediate private firms will exist on the spectrum between, with differential benefits according to the degree of their Canadian ownership and their conformity with NEP objectives. The overt discrimination against foreign firms is intended to reduce drastically the degree of foreign control and influence in the energy sector, which had been over 70 percent according to federal spokesmen.

A further element of this policy is a separate bill, now before Parliament and apparently certain to be enacted, which authorizes federal acquisition of a 25 percent share of existing leases, on the basis that only a fraction of the exploration and drilling costs of proven productive wells will be compensated. The expenditures made for dry holes, normally considered to be a part of development costs, will be ignored. This so-called "back-in" provision for acquisition of privately held leases has particularly incensed American firms; from the standpoint of principle and example it also worries U.S. officials. American firms that entered Canada and followed its rules, and then spent substantial sums developing new oil and gas fields, now find that they not only will experience discrimination but that some of their assets will be expropriated well below market value and far below the level of expenditures they have already made.

The U.S. government fears that the gross unfairness of all these measures teaches a very bad lesson to developing nations—at a time when President Reagan has urged greater reliance on private investment in global development, and when the United States itself is embarked on a new international effort to negotiate improvements in the treatment of foreign direct investment. U.S. officials have already warned publicly that the Canadian back-in proposal does not constitute "prompt, adequate, and reasonable compensation." This is something the United States said to developing countries in the past, especially in the 1960s; it has rarely been addressed to an industrialized country.

To complicate matters further, there is a feeling among some members of the present Ottawa government, as well as among officials, that this kind of draconian Canadianization and feder-

alization should not stop with energy, but should be extended to other natural resources, and perhaps even to the high technology sectors in which Canada's future lies. The Science Council of Canada has long advocated stronger policies of Canadianization and discrimination against outsiders, and agreement with this general line of thinking was expressed publicly on many occasions by the current Minister of Industry and Trade, Mr. Herb Gray. Prime Minister Trudeau himself has expressed over the years a strong interest in bringing about greater federal control of private enterprise operating in such key sectors. While there have been recent statements by Canadian Cabinet members that it has been decided not to extend the NEP approach to other sectors, Washington cannot safely assume that this expression of intent will hold in the future, given the mind-set of the present Canadian government.

Additional actions taken during 1981 to strengthen the underpinnings of the NEP and other Canadianization policies have included establishment of an Industrial Renewal Board and a Committee on Industrial and Regional Benefits. Their assignment is to assure that Canadian firms benefit from projects generated by the NEP and comparable policies. The implicit intention seems to be to deny equal opportunity to foreign firms and subsidiaries of foreign firms.

The activities of FIRA have also been intensified under the returned Trudeau government. The deliberations of this agency are not made public, and foreign firms that negotiate with it seem fearful of explaining the commitments they felt compelled to make in attaining approval for direct investment in Canada. FIRA now does not simply review applications in terms of their likely benefits to Canada. It will insist on commitments regarding Canadian job content, the level of purchases from Canadian suppliers, the use of Canadian banks, the share of production which is to be exported, etc. If a firm is willing to meet these "performance requirements," it will not only be approved for investment but will probably receive local tax incentives for establishment of new production facilities in Canada. This carrot and stick relationship is highly questionable under Canada's international commitments, especially to the longstanding and basic General Agreement on Tariffs and Trade (GATT).

Minister Herb Gray had argued in public for an expansion of FIRA's activities to cover ongoing operations of subsidiaries of foreign firms, and at one point expressed an intention to introduce new legislation in October of this year. The intent was clearly to

force further Canadianization on the part of those enterprises already in Canada. This set off even more alarms in Washington, and the Canadian Cabinet decided not to put this proposal to Parliament. Whether the idea will be revived at a later date remains an open question.

Other discriminatory Canadian policies have also been used to strengthen Canadian enterprises relative to their foreign competitors. Recent U.S. Administration statements have cited Canada's often-used "duty remission schemes," which are aimed at export promotion (e.g., of automotive parts) and import substitution (e.g., of TVs, power boats and construction equipment). While such trade policy measures are not new, the cumulation of discriminatory policies seems to have brought about an order of magnitude change in the intensity of Canadianization.

In essence, the present government in Ottawa, from its essentially social democratic perspective, has chosen a path of intensified Canadianization and federalization, with substantially increased government intervention in the marketplace. Canadian anxieties have been channeled into support of policies which directly challenge the United States, and which run counter to many of the rights and obligations laid out in the GATT and other international agreements.

The agenda of issues between the two countries is by no means limited to these general Canadianization policies. As is to be expected in the normal interaction of two nations linked by a common border, there are many other pending issues—which we shall for convenience label "secondary," recognizing that their individual and cumulative impact is strong especially in Canada. The bilateral tax treaty is being revised. The Alaska Highway Pipeline is being reviewed by Congress, at the request of the Canadian government, to determine whether changes in the pricing formula should be made which would improve the ability to finance construction of further sections—as matters stand the completion of the American end of the pipeline is doubtful, so that it could be left dangling in Canada.

We have already noted that environmentalists in Canada have complained bitterly over the threat to Canada's lakes and forests of emissions from U.S. industrial plants. Some members of the U.S. Congress have replied that the noxious emissions emanate from both sides of the border, and that Canada should consider what action it plans to take before berating the United States. The environmentalists and others are also very worried that the potential trajectory of tankers moving oil from Alaska will bring

them through the Arctic Islands and then along the coast of British Columbia, generating a serious danger of oil spills in that region. Another worry is an increasing perception in Canada that the United States will have a shortage of water in coming decades, and will then demand supplies from water-rich Canada.

Serious disputes on fisheries continue unabated, even though the two governments thought they had resolved some of the issues with negotiation of an elaborate package of a fisheries treaty and boundary agreements concerning the Gulf of Maine. The U.S. Senate did not like the fisheries treaty, and President Reagan withdrew it from the Senate agenda. The boundary agreement was ratified, but the splitting of the package greatly irritated Ottawa. The fisheries issues therefore remain open.

The 1976 Canadian legislation restricting Canadian advertisement in the American border media brought about in the Carter Administration a proposal to enact reciprocal conditions in U.S. law, but this proposal languished and was allowed to lapse. Now, the Reagan Administration intends to pursue reciprocal U.S. legislation, to create a counterthrust to what is considered to be an unfair Canadian policy.

Such "secondary" issues are the stuff of normal relations. They should be manageable and resolvable. However, the present climate of opinion in Washington does not make this easy. There are few officials ready to do any favors for Canada, or who feel able to persuade others to do so. The residual pool of good will between the two nations seems to have run dry.

IV

Almost certainly any American Administration would have objected to the major Canadianization measures recently taken by the Trudeau government. But it is worth taking a longer look at the reasons that have made these measures particularly objectionable to the present Reagan Administration. At the moment when the tide for further Canadianization efforts is running high, that Administration is embarked on a new mission to strengthen the world economic order through a worldwide fight against economic nationalism and a greater reliance on free-market forces. The new themes of Reaganomics pushed outward into the global marketplace run in a direction 180 degrees opposite from that of Ottawa's policies.

The widening disagreements between the two nations are not simply a consequence of ideological differences, however. There are a number of practical aspects which give momentum to

Washington's new international economic policy thrust, and which also generate special frictions with Canada.

First is the fact that international investment has grown to a scale that is publicly perceived as having a direct effect on the U.S. economy—not only on the U.S. balance of payments but also on the pattern of imports and exports, on the location at home or abroad of new production facilities, and on jobs. (U.S. direct investment abroad reached a value of \$213 billion by 1980, and foreign direct investment in the United States reached \$65 billion in the same year.) Washington believes that U.S. trade is now closely associated with the pattern of U.S. investments abroad.

The Reagan Administration also has concluded that a fundamental change occurred in the mid-1970s in the nature, direction and growth of international investment flows. Since the mid-1970s, the rate of growth of international direct investment has shown a sharp deceleration in real terms (adjusted for inflation). On the other hand, many governments around the world, and even a number of U.S. states, have looked to foreign investment as an instrument to create new jobs, support existing ones, expand exports and foreign exchange earnings, acquire improved technologies, and otherwise enhance competitiveness—at a time when the governments themselves were faced with fiscal austerity and unable to provide incentives and subsidies to industries. The global competition for foreign investment funds has stepped up, and various incentives are being offered to entice investors.

At the same time, to maximize the effectiveness of foreign investment funds and channel their direction, many governments have lately intensified their use of regulations and restrictions to force foreign enterprises to meet certain objectives. As a condition of entry, establishment and continuing operational freedom, foreign enterprises are often required to commit themselves to specified levels of local value-added and job content, to purchases of supplies from domestic firms, to use of domestic banks, to export sales at some targeted share of total production, to provision of technology and know-how to the local enterprise and its suppliers, and so on.

As Washington sees it, such performance requirements are proliferating around the world. Often, if a foreign company accepts the conditions, it also becomes eligible for a variety of investment incentives. The requirements, as well as their frequent link to various aids, are perceived by the U.S. government as violations of various articles of the General Agreement on Tariffs

and Trade. This in turn is seen as undermining the elaborate system of rights and obligations of the GATT, which constitute the basic rules of behavior among the major trading nations, and in effect as an effort to reverse the substantial liberalization which has taken place in the world economy since 1947, through new types of restrictive and trade-distorting measures.

In addition to their incompatibility with GATT rules concerning investment, Canadian policies are felt to contravene basic elements of GATT relating to trade, including the new codes just negotiated in 1979 under the so-called Tokyo Round, within the GATT framework. Perhaps the most vital, and simple, of these is the fundamental GATT requirement of “national treatment”—the same treatment of foreign and domestic goods.

Since world trade has grown faster than the GNP of most nations for the last couple of decades, the share of trade in GNP has grown, and trade has become a far more vital part of national economic performance than it was ten or 20 years ago. The importance attached by Washington to international rights and obligations of the GATT and other agreements, and to the mutual restraint generated by these rules, is far greater now than it was just a decade ago. This framework is seen as particularly vital in the present global environment of slow growth, slow capital formation, budget austerity, and relatively high unemployment. It is in such an environment that national governments are most tempted to exercise beggar-thy-neighbor policies and appeal to the popular forces of economic nationalism, which are latent in every country.

Some of the instruments of Canadian national policy toward foreign investment are also seen by Washington as contravening undertakings made by the industrialized countries, including Canada in the OECD (the Organization for Economic Cooperation and Development), particularly regarding national treatment of foreign-owned enterprises.²

The U.S. official perception of the global economic challenges posed in the 1980s, and their gravity, was summed up in a recent statement before Congress by Assistant Secretary of State Robert Hormats.³ He cited two major investment-related challenges. The first is a “need to establish new international understandings to avoid short-term nationalistic approaches to investment. We risk today in the international investment arena a serious deterioration

² The OECD nations adopted in 1976 a consensus Declaration and Related Decision on National Treatment. This was reviewed and reaffirmed in 1979.

³ Statement before the Subcommittee on International Economic Policy, Senate Committee on Foreign Relations, October 28, 1981.

in the climate similar to that experienced in the world trading arena in the 1930's." The goal must therefore be to "reverse the trend toward government induced distortions in the investment process" and create "a more open and less interventionist climate."

The second challenge is "to create, through cooperation among developed and developing nations, an international environment in which investment can make a greater contribution to the development process." This latter consideration is based not only on ideological preference but also on the pragmatic view that development assistance, both multilateral and bilateral, cannot and should not be greatly expanded. In a time of official budget austerity, and congressional reluctance to do more for developing nations while cutting back on social programs at home, it is natural that private investment should be encouraged to meet the growing needs of the Third World. This theme was central to President Reagan's remarks to the annual meeting of the International Monetary Fund and World Bank, as well as to the summit meeting at Cancún in late October.

But expanding the role of private investment requires a significant improvement in the treatment of such investment in recipient countries. Toward this end, the Administration hopes to move on several fronts to develop an international system of rights and obligations governing treatment of foreign investment, partly based on strengthening of existing multilateral institutions and partly based on new or modernized Bilateral Investment Treaties (BITs). Vital issues would be confronted and regularized, such as "national treatment," and "prompt, adequate, and reasonable compensation" for assets acquired by governments from foreign-owned enterprises.

Another and more pragmatic consideration is a growing pressure on the U.S. Administration from organized labor and a number of businesses to correct unfair trade and investment conditions. In this connection, the Administration is currently groping for an international "Agenda for the 1980s." In the 1960s, the pressing international commercial problem was seen to be the emergence of the European Common Market, and the urgent need to reduce tariffs so as to offset the potential discriminatory effects of this new, gigantic customs union in Europe, and its special trade arrangements with other European nations, as well as with former European colonies.

The Kennedy Round trade negotiations which ended in 1967 did bring about major worldwide tariff reductions. However, almost immediately there were complaints in the United States

about the growing role of non-tariff barriers and subsidies in the shaping of world trade access and competitiveness. Consequently, in the 1970s the international agenda covered these non-tariff measures, as well as the remaining tariffs, and a series of codes of conduct were negotiated as a supplement to the GATT.

Now, in the 1980s, there are new domestic complaints of unfairness in global competition. These complaints are focused on internal intervention measures, such as aids to troubled industries and regions, discriminatory treatment as between foreign-owned and domestic enterprises, performance requirements, and other such industrial or sectoral policies. Thus, as successive layers of protection and discrimination have been peeled back internationally, each succeeding layer has proven not only more complex, but more directly interrelated with domestic industrial (and agricultural) development policies.

In one sense, this U.S. domestic thrust for action against the remaining elements of "unfairness" represents a further move toward really free, nondiscriminatory markets. It fits the Reaganomics of reliance on broad macroeconomic policies and avoidance of special intervention measures in aid of particular sectors. But it also constitutes a fundamental attack on the differences among nations about their internal policies, and even on the freedom of action of governments to shape the national economy and alter its direction of growth and its structure. Profound issues of sovereignty will be raised if the American agenda for the 1980s develops on its present course.

It is in this context that Canada's recent discriminatory economic initiatives, and the apparent political support for their application to an ever-widening part of the Canadian economy, are perceived as a fundamental challenge.

v

Current Canadian policies pose painful dilemmas for the U.S. government. It is evident that harsh rhetoric from the U.S. side simply fans the flames of Canadian nationalism, and is deeply resented by the Canadian public. On the other hand, cooling the rhetoric risks sending the signal that all is well, when it is not.

The Administration cannot easily soften its efforts to persuade Canada to choose more acceptable instruments of policy that do not so dramatically undermine international rules and principles of fair treatment. If the United States turns its cheek, the impression is left that "anything goes," and other nations are watching. It is often said by high officials in Ottawa that "the U.S. always

backs off after making politically appropriate noises.” Officials of the new Administration fear that this impression will not only mislead the Canadian Parliament, but also encourage other nations to break the rules. There is also a worry that the Reagan Administration will be accused of being soft on foreigners that treat Americans unfairly.

U.S. threats of retaliation would only entrench nationalist sentiment in Canada. A confrontation with the United States, even if it were economically costly, might be welcomed by the present Canadian leadership, especially during the domestic federal-provincial deliberations over the future character of Canada. Recent Canadianization policies are already having a negative economic impact north of the border, especially in energy. But this is recognized in Ottawa, and the short-term costs are viewed as necessary elements in the laying of a new foundation for the long-term achievement of Canada’s aspirations.

At home, the Administration faces an even more dangerous problem. The U.S. Constitution vests in Congress the regulation of foreign commerce, and the laws Congress has written delegate substantial powers and rights of initiative to private businesses and workers, and substantial power to the courts to override the President. Moreover, the Congress reserves to itself a number of veto rights on administrative action, as well as retaining the power to rewrite the laws regulating foreign commerce as and when it feels this is desirable. If the U.S. government fails to take counteractions, or fails to negotiate accommodations on the part of Canada, will the direction of policy be taken over by initiatives on the part of private businesses and labor, and by Congress and the courts? If so, will this not generate nationalistic and protectionist sentiment in the United States against Canada, and perhaps even against other nations?

The Reagan Administration thus has to deal with exquisitely painful alternatives. There are no simple solutions.

And behind these painful choices, to repeat, lie very deep divisions in thinking. One capital favors wider reliance on free-market forces, and on international rules of the road that constrain the freedom of action of national governments in favoring certain sectors, or in discriminating against foreigners. The other capital believes that government must accept greater responsibility to direct and shape the national destiny, and that foreign influences must be substantially diminished, or at least tightly controlled. Washington leaders believe that discrimination is illegal, unethical and disruptive of international political and economic order.

Ottawa's leadership believes that discrimination is essential to prevent Canada from evolving solely as a branch plant economy to support American business, and to ensure social and economic equity for all Canadians. The Americans feel that Canada's policies undermine the validity of the entire international economic order. The Canadians feel their actions are no threat to legitimate interests of other nations, because Canada has so little economic power, and its circumstances are unique.

VI

Since a complete reversal on either side of the border is unlikely in the near future, are there any ways in which the emerging confrontation can be deflected? Can further entrenchment of positions be avoided? Is there some means to facilitate conflict management, even if conflict resolution is not possible? Can the likely damage from conflicting policies be constrained or diminished?

President Reagan and Prime Minister Trudeau have discussed some of the differences, and have decided that their approaches to national and international order are fundamentally different. They have agreed to disagree. But that is not sufficient to control dissatisfied interest groups on both sides of the border, nor to control the reactions of other nations to the way in which the two countries deal with their differences.

Let us start by ruling out once more any theoretical possibility of the United States simply confronting Canada's policies all at once, through some dramatic action such as invoking the unfair trade provisions of U.S. law and proceeding to threaten, or actually take, specific retaliatory action. Such a frontal attack—which happily seems to have few serious backers either in official or private circles—would surely only stiffen Canadian resolve, as well as raise the political temperature on both sides to a sharp boil. A U.S. threat along these lines would be a bluff soon called, forcing the United States either to back down or carry it out on a broad basis. Either way, general confrontation is simply not a realistic option.

At the opposite extreme, one apparently workable option would be, essentially, *inaction*. The two governments simply agree to keep the rhetoric under reasonable control, recognizing that the political attitudes on both sides of the border regarding solution of mutual problems may become more negative. Ongoing issues are left unresolved, or no further action is taken: acid rain, fishing rights, the Alaska Highway pipeline, the bilateral tax treaty, etc.

This kind of approach is viable, but it will heighten mutual tensions over time. The cumulation of unresolved problems will eventually force action. If the U.S. government did not move, private petitions for action and congressional initiatives would tend to take over and guide the relationship. The best that can be said for inaction is that it buys time.

A second option would be to *deal with each issue on an ad hoc basis*, avoiding any linkage to other issues. Decisions might be delegated to lower levels of government, and issues might be presented in their most technical aspects, in an effort to depoliticize them. Certain of the Canadian policies could be raised in the GATT, with the intention of seeking an international determination that some of Canada's measures are inconsistent with GATT rules. The OECD could also be asked to review Canada's investment policies and to exert moral pressure on Ottawa.

This approach would in a sense represent an effort to go back to the old *modus vivendi*. It would fit President Reagan's style, which is to delegate responsibilities and narrow the scope of decisions that have to be made at the top. It would bureaucratize the relationship, putting issues back into the hands of specialists and technical experts.

One problem with this is that there are hardly any "Canada experts" left in Washington who have had long experience with the politics and economic preoccupations north of the border. In Ottawa, the post-World War II civil service mandarins, who were experts on the United States and its complex constitutional division of powers, have all retired, and the new senior officials have much more limited relationships and experience with Washington. The new technocrats on both sides of the border may be able to contain the conflict on a nonpolitical level; but they may also spark a series of conflicts.

Finally, the GATT and OECD memberships include other nations which have policies similar to one or another aspect of Canada's policies. It might be difficult to achieve a clear consensus that Canada was in the wrong, and if consensus proved to be unattainable the credibility of the present international rules would be further undermined.

In short, the *ad hoc* approach—picking at the fringes of the basic issues and leaving the secondary issues largely to the bureaucrats on both sides—has its own risks. But above all it fails to get at the heart of the problems. Sooner or later it is bound, like the inaction option, to generate a cumulation of present and additional conflicts and frustrations. Again like the inaction op-

tion, it may on the face of things buy time, but time for what? To postpone the basic issues or nibble at them makes sense only if one believes that the situation of high tension is temporary and that the general thrust of policy in Canada will change. Both history and a realistic reading of the current mood in Canada suggest the exact contrary—while on the U.S. side delay carries the grave risk of the Administration losing political control and yielding the initiative to private groups appealing to a Congress already well armed with legal weapons for action.

Is there, then, a third realistic option? We believe there is, and that it would be to *formalize the process of dealing with bilateral economic problems*. Specifically, we urge the creation of a joint Canada-U.S. economic commission, composed of respected political and public figures, businessmen, labor leaders and economists, adequately staffed, and charged with sorting out the whole range of problems, assessing them and coming up with recommendations for inter-related actions by both countries. A joint Cabinet Committee should also be formally designated—on the one hand to manage the day-to-day conflicts and prevent their untimely eruption into crises, and on the other hand to advise and assist the leaders of the two countries in implementing recommendations of the joint economic commission.

There is already a partial precedent for such action. Early in 1981 the U.S. government established a Joint Trade Commission with its other great neighbor in North America, Mexico, and this effort has already had some modest success. (The Commission is composed solely of government officials.) In that case there were special legal reasons for such a formal bilateral framework: Mexico does not adhere to GATT and has no bilateral trade treaty with the United States, and U.S. trade laws are harsh on countries with which there is no juridical framework.

Apart from differences of scope and composition, the reasons for establishing a formal process of reconciliation between Canada and the United States would not be technical or legal, but political. A strong case can be made for restoration and reinvigoration of the political idea of a “special relationship.” But this would only be sustainable if the two governments acknowledge that their differences have to be managed. Formal creation of a bilateral commission would constitute such an acknowledgement.

Such a framework would force issues to be seen in a broader perspective, and give the leaders of the two nations a device for demonstrating partnership rather than confrontation. It would indeed give the two parties an equal partner status, which in itself

would improve Canadian attitudes toward Washington's demands and reduce fears of its global power.

A commission with a regular meeting schedule could have both a visible and an invisible agenda. It could allow the two sides a substantial amount of time to deal with coming conflicts, by providing an early warning system, one that need not be made public. Each of its recommendations would set a precedent, and each precedent would help to shape a system of mutual forbearance and restraint.

A formal framework would force a degree of specialization in the two capitals. It would help educate a new generation of political and economic experts, to replace the old hands who managed the relationship successfully from the 1940s to the 1960s. It would provide a quiet place in which differences of view and of policy could be smoothed out, or sufficiently reconciled to prevent public confrontation. This would reduce the political pressures on both governments. It would place a screen between the private fights of the two close parties and the watchful eyes of the rest of the world. It could therefore reduce the danger of undermining other U.S. efforts to strengthen the world economic order.

It should now be evident that the future relationship cannot be the same as the past. There must either be conflict, or a process of reconciliation, taking into account the deep differences in thinking. A reconciliation through creation of a formal bond of partnership to manage the relationship offers the greatest chance of success, both politically and economically.

Robert C. Tucker

**SWOLLEN STATE,
SPENT SOCIETY:
STALIN'S LEGACY
TO BREZHNEV'S RUSSIA**

Russia today is a mighty world power, with the largest territory of any state, a population of 260 million, great mineral resources in a resource-hungry world, and a geopolitical position that gives it a large role in both European and Asian affairs. It is a military superpower with intercontinental and intermediate-range nuclear missiles in large numbers, supersonic airplanes, a huge standing army based on universal military service, and fleets in all oceans. It controls an East and Central European empire extending deep into Germany and the Balkans. Its power and influence radiate into Asia, the Middle East, the Mediterranean, Africa and Latin America.

This formidable global presence is serviced and maintained by an internal state system centered in Great Russia's capital city, Moscow; the formal autonomy of the outlying, non-Russian Soviet republics is constitutional fiction. Staffed by an army of party, government and other officials (it has been estimated that full-time party officials alone number close to half a million), the party-state edifice comes to a peak in the 23 departments of the party's Central Committee, whose Politburo is the focal point of decision-making authority. Under this supreme directorate, about 60 government ministries provide centralized administration of the Soviet realm. Two of these bureaucracies, the police and the military, have roles and prerogatives of special importance. Their chiefs, along with the chairman of the Council of Ministers and his first deputy, the minister for foreign affairs, the principal Central Committee secretaries, the first secretaries of the Moscow, Leningrad and one or two republic party organizations, sit with General Secretary Brezhnev on the Politburo and take part in policymaking.

This system lays official claim to the title "developed socialism." A source inside the Soviet establishment, writing under the name of Fedor Zniakov, more aptly calls it "supermonopoly capitalism." Ownership, he explains, is concentrated in a single center, the "supermonopoly," which possesses the plenitude of economic and political power.¹ The economic system may be likened to a single gigantic conglomerate incorporating industries and other state-controlled activity, including state and collective farm agriculture, under unified management at the Politburo level.

¹ Fedor Zniakov, "Pamiatnaia zapiska" ("Memorandum"), *Arkhiv samizdata*, Document No. 374, p. 3. Fedor Zniakov is believed to be a pseudonym. The memorandum is dated May 1966.

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The Politburo's control is ensured by a hierarchically organized ruling class that represents and defends the supermonopoly's interests in all spheres of social life. The fundamental aim is the preservation, strengthening and extension of the supermonopoly's power. The ruling class starts at lower levels with plant directors, collective farm chairmen and heads of local party and governmental bodies, and extends to Central Committee secretaries and members of the Soviet government at the top.² It is sometimes informally called the "nomenclature class" because of the system of nomenclature (*nomenklatura*), or lists of posts, appointment to which requires the approval of a given higher or lower party body. The nomenclature class comprises those cleared for assignment to responsible positions in the party-state.

Its members and their families live in a relatively closed world of privilege, which so sharply differentiates their life experience from that of ordinary citizens that they could almost be living in different countries. People of the nomenclature class have comfortable apartments, cars and, in many cases, country houses. They are served by a network of so-called closed distributors, inconspicuous special shops where food and other products, including foreign goods, are available at subsidized prices. They have opportunities for foreign travel, adequate health care, and can enjoy the facilities of desirable Soviet resorts at desirable times of the year. Through informal channels of influence their children can make their way into the restricted number of openings for higher education and thence into careers in the official world.

Perquisites in that world are carefully differentiated according to gradations of rank. Thus in the Science Settlement at Novosibirsk, according to an ex-Soviet science journalist, "A full member of the Academy lives in a villa, a corresponding member has half a villa; a senior research officer has an apartment with three-meter ceiling height, while a junior has one with a two and a quarter meter ceiling, on a higher floor with a communal bathroom."³

II

Was this rigid, centralized and highly stratified sociopolitical structure an inevitable outgrowth of the single-party dictatorship established by Lenin and his fellow Bolsheviks after the October Revolution? Or did it evolve as *one* possible sequel to the Revolution, the result of historical decisions that might have been taken differently and that reflected, in some measure, the unique political personality and outlook of Lenin's successor, Josef Stalin?

I believe the latter is the case. Although Brezhnev's Russia differs from Stalin's in the absence of an all-powerful dictator ruling by terror and in other ways to be discussed below, in the fundamental aspects already mentioned it is indeed an inheritance from the Stalin era. It took shape in the course of what can best be called a state-building process that was launched around 1929 when Stalin finally achieved ascendancy in the Soviet political leadership. Taking advantage of the ability that this gave him to manipulate the regime's policy (he was not yet the personal dictator that he became in the mid-1930s), Stalin steered a course in internal affairs predicated upon the imperative need to build an industrially and militarily powerful Soviet Russian state within ten years in preparation for what he considered an

² *Ibid.*

³ Mark Popovsky, *Manipulated Science: The Crisis of Science and Scientists in the Soviet Union Today*, trans. Paul S. Falla, Garden City: Doubleday, 1979, p. 179.

inevitably oncoming great new war—a war that, with assistance from his own diplomacy, did break out about ten years later, in 1939.

The state-building process started with Stalin's policy of collectivization of the peasantry. Looking back proudly in later years, he spoke of collectivization, whereby about 25 million private peasant farms were abolished and the peasants organized into some 200,000 state-supervised collective farms, as a state-initiated and state-directed "revolution from above" that matched or surpassed in historical significance the October Revolution of 1917 by which Lenin and the Bolsheviks acquired power.⁴ His phrase is applicable to the entire, statist transformation of Soviet Russia during the 1930s.

In using it, Stalin forebore to mention a fact of which he was well aware, that coercive revolution from above in a long-range state-building process was no new phenomenon in Russia's history. A previous such process had its background and origin in national adversity: the conquest in 1240 and 200-year subjugation of the Russian lands by the Tatars. The tsarist state, centered in Muscovy, developed from the fourteenth to the seventeenth centuries in a protracted struggle for the reconstitution of the national territory, a "gathering of Russian lands," in a hostile international environment that comprised not only the declining but still strong Tatar khanates but also powerful neighbors on three sides: Ottoman Turkey in the southwest, Poland-Lithuania in the west, and Sweden in the northwest. Through war and diplomacy, Muscovy expanded from an area of about 15,000 square miles in 1462 to that of the transcontinental Eurasian state that it finally became.

The expansionist drive placed a great premium upon military strength. Because of the country's economic backwardness and technological inferiority to its Western neighbors, the government sought to mobilize the resources for war by enlisting the population directly in its service. The exploitative relation of the state to the society brought an extension of coercive controls and the growth of the centralized governmental system. This took place largely through a series of revolutions from above. Claiming ownership of the land, the state destroyed the landowning boyars as a class and created a controlled nobility of serving men whose landed estates were allotted on condition of military service to the state. This was the foundation for the later growth of an "aristocracy of rank" under which bureaucratic distinction rather than birth became, in principle, the highroad of entry into the nobility. The fastening down of serfdom upon the peasants in the seventeenth century was another aspect of what older Russian historians called the "binding of all classes" in compulsory service to the state.

Under Peter the Great in the early eighteenth century, the state underwent coercive remodeling from above through a Europeanization that connoted the borrowing of advanced technology from the West and the forced development of Russian industry under governmental auspices for military power in the continuing process of external aggrandizement. Thus the primacy of foreign policy and the need for military strength for external defense and expansion were the mainsprings of the internal state-building process. In his summation of this process, the pre-1917 historian V. O. Kliuchevsky wrote that "the

⁴ *History of the Communist Party of the Soviet Union/Bolsheviks/Short Course*, Moscow, 1945, p. 305. First published in 1938, this book was written by a commission under Stalin's personal direction. In his *Marxism and Linguistics*, New York: International Publishers, 1951, p. 28, he reverted to the theme of the Soviet "revolution from above" as one that "did not take place by means of an explosion. . . ."

expansion of the state territory, straining beyond measure and exhausting the resources of the people, only bolstered the power of the state without elevating the self-confidence of the people. . . . The state swelled up; the people grew lean."⁵

The pressure of external upon internal policy relaxed with tsarist Russia's achievement of its commanding world position by the close of the eighteenth century, making it possible for the government to give more attention to the needs of internal welfare rather than territorial expansion. The earlier binding of all classes in compulsory state service gave way to a partial unbinding of classes with the release of the nobility from its compulsory service obligations in the late eighteenth century.⁶

The "unbinding" proceeded in slow uneven steps. Not until 1861 was the peasantry released from serfdom by imperial decree. That action inaugurated a time of transforming change (from above) known as the epoch of Great Reforms. Although it witnessed a considerable liberalization of Russian life, the autocratic, authoritarian, centralized, bureaucratic state structure that evolved in the state-building process was too well entrenched, its repressive powers too formidable, and the history-bred submissiveness of the people too enduring, for the processes of change to work their way to fruition peacefully. What had developed as a dynamically active autocratic state authority in the earlier state-building process proved so strong as a static force later on that it could successfully block its own thorough transformation, as shown by its capacity to withstand the nationwide insurrectionary movement of 1905. Only under the unbearable strains of the third year of the World War did the structure finally buckle and collapse in 1917.

III

The Bolshevik party-state that emerged in control of what remained of the Russian Empire after the ensuing time of troubles was not initially oriented toward a renewed state-building process in the Russian national tradition. The Marxist ruling party's programmatic commitment was not to the restoration of a militarily powerful bureaucratic Russian state under a new tsar-autocrat, but to "socialist construction," meaning the building over time (a generation at least, Lenin said) of a socialist or communist society characterized by cooperative forms of production in a setting of economic and technological advance, by material abundance for the entire populace, and by a steady growth of popular self-administration in place of rule by a governmental bureaucracy. By the seizure and monopolizing of power and the establishment of a party dictatorship, Lenin and the Bolsheviks had, however, created a medium in which a dynamic resurgence of statism could occur. Moreover, by virtue of the losses of territory in the revolutionary period and the new state's isolation in an unfriendly international environment, now called "hostile capitalist encirclement," the country's situation in the 1920s showed a certain parallel to that of the early Muscovite period.

Among the leading Bolshevik contenders for power after Lenin died, Stalin alone was disposed by personal politico-ideological orientation to take that

⁵ V. O. Kliuchevsky, *Kurs russkoi istorii* (*Course in Russian History*), Vol. III, Moscow, 1937, p. 11. First published in 1911.

⁶ Alexander Kornilov, *Modern Russian History from the Age of Catherine the Great to the End of the 19th Century*, trans. Alexander S. Kaun, New York: Knopf, 1943, pp. 18-19. First published in 1917.

historical parallel seriously. His orientation is best described as "Russian national bolshevism," an amalgam of Bolshevik revolutionary theory and practice with Great Russian nationalism. When he expressed it in moderate terms in the platform of "socialism in one country" that he advocated against the party Left in the debates of the mid-1920s, it had strong persuasive appeal to large elements of the ruling party, particularly the younger party members. But linked as it was with his special perception of a parallel between Muscovite Russia's situation in earlier times and Soviet Russia's now,⁷ Stalin's actual position was far more radical in its political implications than his followers suspected—until he began acting upon it in 1929.

Such basic elements of the Bolshevik program as the construction of a socialist society in Soviet Russia and the international communist revolution were preserved but at the same time transformed by Stalin's Russian national bolshevism. Communist revolution abroad was reconceived as a process spreading out from a base in the U.S.S.R. to neighboring countries, hence as, in part, a revived "gathering of Russian lands," such as those lost to Poland and to the independent Baltic states during the revolutionary period.

In Stalin's Russian national bolshevism, further growth of the international communist revolution and Soviet Russian expansion, territorially or in terms of spheres of influence, were fused into one process. Since a focal area for expansion was Eastern Europe and the Balkans, a diplomacy of accord with Germany, looking (among other things) to a new partition of Poland, was a fixture of Stalin's foreign policy conception from early on. While encouraging Foreign Commissar Maxim Litvinov to pursue in the mid-1930s an open diplomacy of collective security and popular fronts against fascism, Stalin made his way by secret diplomacy toward the Nazi-Soviet pact that he concluded in 1939.

Thus Russian national bolshevism resurrected the historic Russian primacy of foreign policy, and with it the necessity—to Stalin's history-oriented mind—of a renewed, but this time *Soviet* Russian state-building process centering on forced-draft industrialization with emphasis upon heavy industry and military-industrial power. Collectivization was designed to undergird the industrialization drive by organizing the peasantry into collective and state farms. This ensured government control of the great bulk of agricultural produce, including large amounts for export abroad to finance the importation of technology. That aim required lightning collectivization rather than the long-range "cooperating" of the peasantry by persuasion that Lenin had envisaged. Lightning collectivization was, and could only be, accomplished by terrorist methods, whose utilization on Stalin's orders backfired because the mass of peasants, seeing in the collectives a revived form of Russian serfdom (which they were), slaughtered a huge proportion of their livestock before entering them. Although the state got control of the produce by the draconian means Stalin employed, it did so at the cost of an estimated ten to fifteen million lives lost in the ensuing great famine, whose effects are still felt in Russia's agricultural economy 50 years later.

Restoring as it did something comparable to old Russia's serfdom, collectivization was not only a coercive revolution from above but a first phase of a renewed state-building process. Stalin moved to bring every element of

⁷ See, for example, his speech of February 4, 1931, "The Tasks of Business Executives," J. V. Stalin, *Works*, Vol. 13, Moscow, 1955, pp. 40–41.

society under regimentation and control. He reenacted the “binding” of all strata in compulsory service to the state authority. He pursued a policy of direct exploitation of the human resources of the economically backward country for amassing military power through industrialization. One major expression of this was the expansion of the vast “Gulag” forced-labor empire in Siberia, the Far North and elsewhere, much of it initially recruited from the rural “kulaks” whose violent dispossession and deportation into the interior in 1929–33 was the means used to terrorize the peasantry as a whole into joining the collectives. Another was the binding of the industrial worker to his place of work by the reintroduction of an internal passport system, like the one that existed before 1917, and by legislation of the later 1930s prohibiting voluntary changes of jobs. Total exploitation of the populace meant totalitarian control. Since a large bureaucratic apparatus of police and other governmental regulation was needed for this, a leviathan of a state resulted. Not only was a powerful, highly centralized, bureaucratic state revived; its control of people’s lives extended well beyond the limits reached by tsarist rulers.

Russia’s history in Stalin’s time retraced, therefore, the course epitomized by Kliuchevsky in his phrase cited earlier: “The state swelled up; the people grew lean.” The people “grew lean” in the shrinkage of the unregimented parts of their lives, and in the simple sense of being hungry, living on rations, going without desperately needed housing, and enduring other hardship. Nevertheless, Stalin publicly proclaimed in 1936, when promulgating a new Stalinist version of the Soviet constitution, that the foundations of a socialist society had now been built. This claim contradicted Leninist assumptions that socialism connoted richer lives rather than poorer, more equitable distribution rather than less, less bureaucratic regimentation rather than more, more meaningful public involvement in administration rather than less. But it was consistent with Stalin’s Russian national bolshevism, in which socialism-building and state-building were fused, so that the construction of a mighty Soviet Russian military-national state in which all strata were bound in compulsory service to the state power became the fundamental meaning of “socialism.” Such a view required that Stalin revise the long established Marxist and Leninist tenet that it was the destiny of the state as an institution to wither away with the advent of a socialist society. As Stalin reformulated the dogma, in 1939, the Soviet socialist state had to grow great and strong in order to defend itself within a hostile capitalist encirclement.

Much of this was alien to the thinking of the great majority of surviving Old Bolsheviks, as well as to many of their juniors in the new party generation that had matured during the early years of the Soviet regime and was heavily influenced by the Old Bolsheviks in its way of thought. Even many who had been “Stalinists” in supporting Stalin’s platform of building socialism in one country, were unprepared for what his Russian national bolshevism meant in practice—a replication under Soviet conditions of the patterns of revolution from above that had found earlier expression in the tsarist state-building process. They were appalled by the ghastly tragedy of collectivization by terror and the resulting hushed-up famine of the early 1930s. They were, many of them, repelled by the new, stratified society of privilege that they saw emerging in those years of privation, and by the swelling of a bureaucratic state that, to minds conditioned by Marxism and Leninism, should have been beginning to atrophy if socialism were really being built in Russia.

Their disenchantment with the new statist society over whose construction

Stalin was presiding was expressed in negative attitudes, even in opposition, to him. Some Old Bolsheviks made an abortive attempt during the Seventeenth Party Congress in 1934 to carry out, belatedly, Lenin's parting confidential advice to the party elders that Stalin be removed from his position of power. His lethal response was the Great Terror, which began with the assassination of the Leningrad party leader, Sergei Kirov, in December 1934, and is estimated to have cost the lives of about two million Communists and previously expelled party members, plus large numbers of their non-party relatives and associates.⁸

The Terror, by opening careers en masse to replacements for the victims, brought into being a new, state-created as well as Stalin-oriented Soviet elite. It lived far better than ordinary citizens but was just as securely bound in service to the state as were the peasants and the worker. Hence, the Great Purge was another revolution from above, or another phase in the larger revolution from above of the 1930s. It recapitulated in a highly magnified twentieth-century way the binding of the landed aristocracy in compulsory state service. Like the boyars of old, the Old Bolshevik ruling elite was exterminated in large part and, for the rest, submerged in a new Soviet service nobility. The purge as a revolution from above was, moreover, the crucible of the reemergence of Russian absolutism in a Soviet setting, the rule of a new tsar-autocrat in whose dictatorial system the still ostensibly dominant political party was, like all other institutions of Stalin's state, a transmission belt for implementing his policies.

This interpretation of the Stalinist 1930s conflicts with a view that has enjoyed wide credence in the West. That view sees Stalin's revolution from above as a harsh and cruel way of bringing backward Russia into the modern world, a revolution of "modernization."⁹ There is no question but that Russia underwent considerable industrialization and urbanization in the Stalinist 1930s, accompanied by growth in literacy, in the availability of education, chiefly technical, and in other indices. Yet all this took place in a state-building process similar in a fundamental way to one seen earlier in history.

The upshot is that what happened in Russia in the 1930s is not only superficially described but actually obscured by the use of a term like "modernization." In fact, the nation underwent a reversion to the Russian past in its developmental mode. Without a clear comprehension of this it is not possible truly to understand either the legacy of Stalin and Stalinism to the Russian present or the depth of the problems confronted by Stalin's successors. In particular, no accurate diagnosis can be made of the present situation of Soviet society.

⁸ Roy A. Medvedev, *On Stalin and Stalinism*, New York: Oxford, 1979, p. 214. Based on evidence now available, Stalin's responsibility for arranging the Kirov murder as a pretext for the Great Purge is beyond reasonable doubt.

⁹ Thus Isaac Deutscher writes that Stalin undertook "to drive barbarism out of Russia by barbarous means," and Deutscher adds, "The nation has, nevertheless, advanced far in most fields of its existence. Its material apparatus of production, which about 1930 was that of any medium-sized European nation, has so greatly and so rapidly expanded that Russia is now the first industrial power in Europe and the second in the world. Within little more than one decade the number of her cities and towns doubled; and her urban population grew by thirty millions. The number of schools of all grades has very impressively multiplied. The whole nation has been sent to school." *Stalin: A Political Biography*, 2nd ed., New York: Oxford, 1967, p. 568.

"Russ is where the true belief is," a noted émigré interpreter of Russian thought and society has written.¹⁰ His point was that *Rus'* developed in history as a community of right believers, meaning those of the Russian Orthodox faith. In what we may call its sustaining myth, Russian society was a political community of the faithful, an Orthodox tsardom. So persistent was this pattern that as late as the early twentieth century a peasant—and the vast majority of Russians were peasants then—would speak of himself not as "Russian" but as "Orthodox" (*pravoslavny*).¹¹ Russian was his language; Orthodoxy, his identity. Since the Tsar was a centerpiece of the mythos, waning faith in the Tsar was a sign of the coming end of the tsardom. Bloody Sunday in January 1905 has been mentioned in this context. On that day a priest-led, icon-bearing procession of common people was met with murderous gunfire on its walk to the Winter Palace in Petersburg to ask the Tsar for redress of grievances. The priest, Father Gapon, is said to have declared in the midst of the carnage, "There is no Tsar anymore."

The revolutionary reconstitution of a society always sees the rise of a new conception of the meaning of membership in that society. Bolshevism's revolutionary republic, which Lenin called *Rus'* in an article of 1918, soon generated its own sustaining myth in the concept of Soviet *Rus'* as a community of "builders of socialism." The Bolsheviks' militant atheism, their unremitting effort through antireligious propaganda to dislodge Orthodoxy from Russian minds, was the other side of their project of instilling in those same minds a new set of right beliefs, a new transnational orthodoxy. The society was envisioned as a collective of citizens united in believing in future socialism and eventual full communism as a transcendently worthy life goal. As Lenin formulated the idea in his speech of 1920 to a congress of representatives of the Young Communist League:

The generation of people who are now at the age of fifty cannot expect to see a communist society. This generation will be gone before then. But the generation of those who are now fifteen will see a communist society and will itself build this society. This generation should know that the entire purpose of their lives is to build a communist society.¹²

Though not in Lenin's audience on that occasion, one of the youths whom Lenin meant to address was a Leonid Brezhnev. Born in 1906, he was just turning fifteen. He must have been among the many in the growing generation in whom the mythos of building a socialist *Rus'* was deeply implanted.

During the brief remainder of his active life, Lenin tried to formulate guidelines for building what must initially be a socialist rather than a fully communist new society. It would entail the creation of a machine industry based especially on electric power, overcoming persisting class differences, the growth of general prosperity, and the "cooperating of Russia," that is, the enlistment of the whole population, peasantry included, into cooperative societies and cooperative forms of work. The coming socialist *Rus'* would

¹⁰Nicholas Berdyaev, *The Russian Idea*, London: Macmillan, 1947, p. 9. "Russ" (*Rus'*) is the ancient Russian word for Russia.

¹¹Leonard E. Hubbard, *Soviet Labour and Industry* London: Macmillan, 1942, p. 10.

¹²Robert C. Tucker, ed., *The Lenin Anthology*, New York: W.W. Norton, 1975, p. 674.

likewise be to a great extent popularly administered, free of the “bureaucratism” bequeathed by history. The construction of socialism was not envisaged as a state-building process of the kind that subsequently occurred, although Stalin, in part by selective quotation of earlier Lenin texts, sought to obscure the gulf between Lenin’s guidelines and his policies.

Under Stalin, the meaning of Soviet citizenship continued to be defined as belief in socialism and communism, but the contents of the belief system changed. As of about 1936, a Soviet citizen was supposed to believe that Stalin’s Russia of the five-year plans had basically made the transition to socialism and was now on the way to an indefinitely deferred communist future which must serve as the nation’s goal. Furthermore, the belief system was personalized in a new way. It had already been personalized upon Lenin’s death because the deceased founder of Bolshevism was made into a cult figure, a venerated supreme authority whose writings figured as sacred texts on, above all, the society’s goal and the way to achieve it. Then, in the early and middle 1930s, the Lenin cult became overlaid and overshadowed by official glorification of Stalin as the “Builder of Socialism.” Soviet citizens were expected to believe not only in socialism as a *fait accompli* and in communism as the further objective, but also in Stalin as the party’s genius-leader to whom credit was due for the society’s history-making breakthrough to the socialist stage of development foretold by Marx, Engels and Lenin but not realized in their lifetimes.

The Old Bolsheviks, as already indicated, were mostly Old Believers as well (to borrow another term from Russian history), and so were many of their younger contemporaries who had come into the Party during the Civil War and the 1920s. Most of them had been willing followers of Stalin when he spoke in the mid-1920s of socialism in one country. But not being Russian national Bolsheviks of his peculiar stripe, few could accept the unprosperous, deeply stratified, bureaucracy-ridden society of the mid-1930s, with its reimposed state of virtual serfdom and its increasingly bound working class, with its more and more strident Great Russian nationalism, as a “socialist” society. Nor could they believe in Stalin, the colossal bungler of collectivization, as the leader of genius portrayed in his personality cult. Those generations of Leninist Old Believers were mowed down wholesale in the terrorist purges of the later 1930s.

We should beware, however, of assuming that the people who took their places in leading positions, or in lesser ones with higher status in store, were cynical, opportunistic nonbelievers. Some, perhaps many, were, to be sure, just that. But Stalin, however vicious, was not stupid in this phase of his state-building policy. He consciously brought along a new generation of state servitors who could be and in very many cases would be believers of a new kind. These people accepted the society he was building as the socialist one he proclaimed it to be. They admiringly looked upon him as indeed the Builder of Socialism.

Risen from simple, often peasant origins, these New Believers were culturally disposed to think of Russia as a new Orthodox tsardom of Marxist-Leninist-Stalinist persuasion, naturally with a new tsar, albeit an uncrowned one, at its head. They could accept the equation of a socialist Soviet Russia with an industrially developed and militarily strong one, take satisfaction in their participation in the state-building effort, and be proud of the country’s emergence as a great power. They, or many of them, could uncritically accept

the results of the devious foreign policy that made a deal with Hitler which turned his aggression westward and meanwhile opened the way for Russia's and communism's expansion into Eastern Europe.

V

When, after confounding Stalin's calculation on a long debilitating war in the West, Hitler "perfidiously" (as the Soviet version goes) hurled the full force of the Wehrmacht against his ally of 1939-41, the New Believers were a rock of support for the defense effort. As for the common people, they were wary as the war began, not knowing what to expect from the Germans, who were European and hence (as Russians had always supposed) a "cultured" nation. When they discovered that the invaders were behaving like savages rather than liberators, they were ready to respond to the Stalin regime's call to arms. It did not say, "Rise in defense of Soviet socialism," but, "Mother Russia calls you." The symbols invoked, such as General Kutuzov who commanded Russia's defense in the war against Napoleon, were Russian national symbols.

Having no one to defend it but the people, whose material conditions of life had to grow worse rather than better in wartime, the regime made the one concession possible: it lifted the terror-tinged atmosphere of the prewar years and allowed the warring nation a relaxed sense of more-freedom-to-come. During those awful years of death and privation, commitments were quietly made to the population. Not by open proclamation but by spreading the word through the grapevine that serves the country's real communication needs, the regime encouraged the people to believe that victory would be a great turning point toward materially better as well as freer conditions, that peasants would be allowed to leave the collectives, that intellectuals would enjoy a respite from cultural regimentation, that there would be opportunities for foreign travel and study in a no longer hostile world, and even that the Americans would be invited to open department stores in Soviet cities.

So, at a cost of twenty or more million casualties and with critically important aid from the Western allies, Russia prevailed. The war itself became a popular one in the sense that the great bulk of the population was behind it. Stalin himself became, for the first time, a popular hero as beleaguered Russia's rugged war leader. The fact that he had panicked and had a temporary nervous breakdown at the beginning was not known outside a tiny circle at the top. Nor did the people know about his grievous faults as supreme commander of the fighting forces. Many had but a hazy realization, if that, of the fact that his terrorist collectivization and methodical destruction of seasoned cadres in all fields in the fury of the Great Purge had done far more to wreck the war effort in advance than to prepare for it.

It was an article of faith in the Soviet public mind that the end of the war would bring the beginning of a new period in the country's life, a time of peace, liberalization, and growing plenty. I heard a Red Army officer cry, "Now it is time to live!" during the joyous victory celebration in Red Square on May 9, 1945. But the anticipated and longed-for new period of economic betterment and liberalization did not come with the victory for which the people had paid so dear a price.

Instead, Stalin, now a supremely glorified hero as well as absolute ruler, defined the postwar period as a new prewar period. That was the underlying message of his postwar address of February 9, 1946, in which he spoke of the

necessity of three or four more heavy industry-oriented five-year plans in order to prepare the country for "all contingencies" in a world where the continued existence of imperialism made new wars inevitable. Although Russia was no longer isolated and threatened as before, Stalin was decreeing a new round of the state-building process for what was already then becoming, in his foreign policy, an era of cold war and near total isolation of the nation from the outside world. That meant a new round of strain, sacrifice and austerity internally. A Russian of the older generation in whose Moscow apartment I sat as Stalin's words were transmitted to the people by radio, placed his head on his folded arms when he heard them. All over Russia people figuratively were doing the same. In a society founded on the presumption of belief, that signified the beginnings of a crisis.

Aware of the mass disenchantment, Stalin prescribed as antidote what has been called the *Zhdanovshchina*, the campaign, initiated in 1946 by his party lieutenant Andrei Zhdanov and others, to revitalize political consciousness and belief. They castigated what was called "apoliticality" and "non-ideologism." The phenomena so designated were real, whereas the means employed to counteract them, including propaganda of Russian chauvinism and, increasingly, anti-Semitism, were impotent to reinstill active commitment in a generally dispirited people that had lost hope for a better life in their time. Fear became the main stimulus, and the security police lorded it over all other organs of power, including the theoretically ruling party. By Stalin's death in 1953, the society was in the grip of something close to paralysis.

VI

Stalin's successors were bound to pursue a politics of change although they were divided over how far and fast it should proceed, in what directions, and who should preside over it. Some staunch Stalinist conservatives, such as Lazar Kaganovich and Viacheslav Molotov, appear to have wanted only limited change hypercautiously administered, whereas younger leaders like Georgi Malenkov and Nikita Khrushchev stood for substantial reform but differed over the course it should take and who should implement it. Having achieved a sort of supremacy in a two-year struggle, Khrushchev embarked in 1955 upon a reform course and made the Twentieth Party Congress in February 1956 his forum for it. His reform course was aimed at making the Soviet system work by restoring it to a condition of economic and sociopolitical health.

A peculiar blend of Old and New Believer in his makeup, Khrushchev was a tirelessly itinerant politician who went around Russia and the world preaching the superiority of the Soviet way. But his faith in the Soviet system did not stand in the way of a realistic appreciation of its failings. This believing Communist could be astonishingly frank in exposing the actualities, whether it was the grim state of Soviet agriculture in 1953, or the ills of the Moscow-centered bureaucratic management of the economy, or Stalin's criminality in the terrorist purge of the party. It took a deep believer in the fundamental underlying rightness of the Soviet order to be such a scourge of past tragedies and present malfunctioning.

The watchword of Khrushchev's special brand of reformism was "Back to the path of Lenin," connoting, above all, revival of the system of single-party rule that had been eclipsed for 20 years by Stalin's police-based personal despotism. Accordingly, the grand theme of his secret report to the Twentieth

Congress in 1956 was Stalin's violation of the "Leninist norms" of rule by the Communist Party as a collectivity. His chilling exposé of tyranny was not published in Russia, but its contents soon became known through the grapevine after the speech was read at closed meetings of party cells all over the country. Hence the whole of politically literate Russia became aware, if it had not been before, of the Stalinist heritage of anti-party terror, and millions of its still surviving victims began returning to Soviet society from concentration camps.

Khrushchev was acutely aware that a widespread failure of belief was both a part of and a cause of the crisis bequeathed by Stalin to Soviet society, and hence that the system could not be made to work well, even under reformed party auspices, unless belief was rekindled in the minds of Soviet citizens. He realized that this would not be possible unless people could anticipate concrete benefits in the not far-off future. After decades of privation accompanied by promises of future bliss, the people must be shown that the system, meaning first of all the economic system, could be made to work for their welfare, and soon. In a literal sense, it was time to deliver the goods. Khrushchev made plain his awareness of this by sponsoring the slogan: "The present generation of Soviet people will live under Communism!" It appeared on signboards everywhere, along with a still more concrete message that a visitor could see even along dusty Siberian roads in the summer of 1958, "We shall overtake and outstrip the U.S.A. in per capita production of meat, milk and butter!"

This was to be accomplished in a few short years. The new program adopted by the Twenty-Second Party Congress in 1961 formalized the theme: during the 1960s, the U.S.S.R. would outstrip the United States in per capita output, make agriculture flourish, provide a sufficiency of material goods, basically meet the country's housing needs, and become the land with the shortest working day. In the 1970s, it would establish the material base for full communism, secure material and cultural abundance, make a start on distribution according to need (e.g., rent-free housing and free public transit). "*Fundamentally a communist society will be constructed in the U.S.S.R.,*" the Program declared in italics, leaving the construction to be "fully completed" in 1981-90.

Many new departures in domestic policy were aimed, if not at achieving communism by 1980, then at raising depressed Soviet living standards very sharply in the near future. They included the large-scale cultivation of virgin lands in southern Siberia and northern Kazakhstan for grain production, the effort to solve the fodder problem by the cultivation of corn, the sale of the farm machinery of the state-owned machine-tractor stations to the collectives, and various changes in the structure of economic administration. The great Stalinist ministerial bureaucracies were dissolved and their officials scattered across the country into regional economic councils in an effort to decentralize the economy.

When this failed to produce the desired results, Khrushchev resorted to another organizational panacea: the party apparatus was split into industrial and agricultural divisions locally so as to compel party officialdom to concentrate upon problems of production. Under the banner of democratization, certain reforms were adopted that chipped away somewhat at the privileged status of higher officials. Ministerial salaries were reduced from extremely high Stalinist levels. The new Party Rules adopted in 1961 mandated rotation of membership in party committees, the Central Committee included. A

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reform affecting children of persons from the privileged class, along with others, made vocational experience mandatory between school and higher education.

Inherent in Khrushchev's reform orientation was a shift in the relationship between domestic and foreign policy that had been fundamental to the Stalinist state-building process. The latter had harnessed the nation's energies to war preparation before 1941, war-making during the Second World War, and the cold war after 1945. Now, under Khrushchev, the cold war gave way to competitive coexistence in Soviet foreign policy, and domestic needs, including consumer needs, took high priority as part of the effort to make the system work. To divert resources from the military to the civilian economy, as Khrushchev tried with some success to do (for instance, by restricting the growth of the Soviet navy), it was imperative to seek relief from the relentless demands of the arms race; for this, a changed relationship with Russia's chief adversary, the United States, was essential. Hence the theme of coexistence as a complex process of competition *and* cooperation appeared in Soviet official thinking, and détente with the West became an intermittently pursued goal.

Ironically, the effort to economize on war preparation did not always lead to reduced tensions. Thus Khrushchev's missiles gamble in Cuba in 1962—a move to offset U.S. strategic superiority cheaply, so as to allocate to civilian needs resources that would otherwise have to be invested (and were later invested) in a costly program of intercontinental ballistic missiles—temporarily halted the search for a *modus vivendi* with the United States. But the nuclear test ban agreement of the following year found Khrushchev back on the road to an understanding with Washington.

Impetuous in style, given to organizational solutions, Khrushchev lacked a coherent, longer range reform program that would have liberated middle- and low-level management and people at large to unleash initiative untrammelled by party overseers. His economic decentralization only transferred power over the economy to regional party bosses, and the party as such could not serve as the reform instrument that he thought it could be. So, his optimistic faith in the capacity of reforms within the frame of the restored single-party system to make the economy perform productively for the benefit of the populace proved largely misplaced.

There were some successes, especially in housing construction, and the virgin lands scheme paid off temporarily. But the promises of overtaking America in per capita food production and of giant strides toward full communism in the near future were not borne out. Sino-Soviet relations deteriorated drastically during Khrushchev's tenure, while relations with the West showed no corresponding improvement. The Cuban missiles gambit backfired in a manner that was politically damaging to him at home. The military leadership undoubtedly chafed at his effort to hold back on military expenditures. Conservative hackles were raised by the liberalizing ferment that the de-Stalinization campaign aroused in the creative intelligentsia. Meanwhile, his shake-up of the party and state bureaucracy intensified the opposition in high places to his leadership and prepared the ground for the palace revolution that swept him out of power in 1964.

Before this final defeat, however, he made a last-ditch attempt to mobilize support against the conservative pro-Stalinist opposition by bringing his anti-Stalin campaign into the open at the Twenty-Second Party Congress in 1961. Here he and his party lieutenants repeated in public many of the sensational

revelations that had been made behind closed doors in 1956, and the congress ended with a dramatic decision to remove Stalin's remains from the mausoleum on Red Square and erect a monument to the victims of his bloody crimes.

It is not clear whether this bluff man, not given to psychological subtleties, realized what impact the revelations about Stalin would have upon the minds and spirit of very many people in Russia. We have noted above how, with the rise of Stalin's personality cult in the 1930s, the entire official Soviet belief system became personalized in a special way: To believe in socialism and communism as the goals of Soviet society meant believing in Stalin as the Builder of Socialism and the inspired leader who was guiding Russia on its path to the ultimate goal. Now this leader stood condemned before the people as a man guilty of criminal abuse of power on an appalling scale.

Many in the generation of New Believers who had come up during the heyday of Stalin's rule in the 1930s and the war years were deeply shocked and disoriented. Some resisted the blow to their beliefs; others ceased to believe in anything. To still others, albeit a small minority composed of intellectuals, the revelations about Stalin meant a welcome break with the Stalinist past and a promise of more far-reaching reforms pointing the way to a humane socialism in Russia. That point of view found expression in Roy A. Medvedev's *samizdat* work, *Let History Judge: The Origin and Consequences of Stalinism*. On the whole, however, Khrushchev's politics of de-Stalinization worked against his effort to revitalize the communist faith in Soviet minds. By the time of his removal from power, the crisis of belief was in some ways more serious than it had been when he assumed the leadership and embarked upon his reform course.

VII

Taking over from the willful, erratic, yet believing and reform-minded Khrushchev, Brezhnev and his associates changed the course and pace of policy. To them Khrushchev's administrative reorganizations were (to use their words) "harebrained scheming" and fraught with a potential to destabilize the system. Taken together his reform efforts had been worse than a failure. Not only was the slowed growth of the Soviet state's military machine undesirable. Not only was the promised high economic performance not forthcoming. Unreal hopes had been aroused among the people for early economic betterment, and among intellectuals for more liberalization. This too was potentially a source of trouble. So, the new group's coming to power spelled conservative and in some ways reactionary government. To be sure, a modest managerial reform was promulgated in 1965 under Premier Alexei Kosygin's auspices, but its effect was negligible. If Khrushchev had the reform impulse without a coherent overall design, his successors lacked the impulse. Their central concern has been to keep the great centralized state system that Stalin built in being. They have given Russia a regime of stabilization.

Structurally, they restored the system to something close to the form it possessed in Stalin's time, minus the autocracy at the top and police supremacy over the party hierarchy. They undid Khrushchev's organizational innovations and reestablished the centralized economic ministries, enabling the ministries' official families to return from the provinces to Moscow. Khrushchev's emphasis upon vocational education for the younger generation was discarded. The nomenclature class was given to understand that it could, finally, breathe

easily in the knowledge that the new masters of the state would be protective of its interests. Such was the deeper meaning of the slogan, "Trust in cadres," which Brezhnev introduced early in his period in power.

Higher officialdom was released not simply from the perpetual fear endured under Stalin's terroristic despotism—Khrushchev had seen to that—but also from the career uncertainties, the insecurity of tenure and privilege that Khrushchev's zigzag reform course had entailed. But only the privileged section of society was so emancipated. This development bears some comparison with the "unbinding of the nobility" in the Russia of the late eighteenth century. It affected particularly the men at top levels of political life. In place of the strong personal leadership that Khrushchev sought to furnish with the aim of change, Brezhnev offered consensual leadership for order and stability. He has been content with, and may owe his longevity in power to, his willingness to be first among equals in a truly oligarchical regime in which the various power blocs, including the military and the police, wield a heavy influence on policy.

This shift in the character and orientation of the regime led to a resumption of the steady buildup of military power. The Soviet military-industrial complex was accorded resources that it had, for a time, been denied. The unsuccessful effort to overtake America in per capita production of meat, milk and butter gave way to an eventually successful one to rival her in missiles and other components of strategic military power. The formidable Soviet blue-water navy of today is largely a product of this change in policy, and an intensified search for bases in distant places has been one of the accompaniments. The focus on military strength that characterized Stalinist policy has been restored in Brezhnev's time.

This has meant less effort to redirect resources into expanding the civilian economy and less hope of improved conditions for the mass of non-privileged Soviet citizens. True, in the aftermath of Poland's food-price riots of late 1970 and amid portents of unrest at home, Brezhnev came before the Twenty-Fourth Party Congress in March 1971 with a program for raising depressed Soviet living standards. But it was not made meaningful by a concomitant decision to hold back on military outlays. One possible way out was the vigorous attempt made by the Soviet government in the early 1970s to obtain Western and Japanese economic aid on a large scale through technology transfer, enlistment of Western firms in developmental work for the Soviet civilian economy, and farm imports. This called for a policy of limited détente which was formalized in the U.S.-Soviet Moscow summit meeting of 1972.

If Khrushchev intermittently sought accommodation with the West in order to economize on military expenditures, Brezhnev seems to have done so for the opposite reason: to enable the Soviet government to provide more for the population *without* skimping on military expenditures and without making fundamental changes in the Soviet system. Above all, he needed—and needs—a relationship with the United States that ensures the regular flow of American grain to a Russia whose agricultural economy is chronically ill because of the present regime's refusal to relinquish those hopelessly failed institutions, the *state and collective farm*.

The regime of stabilization very quickly put an end to Khrushchev's periodic exposés of Stalin's tyranny and imposed restraints on efforts by writers and scholars to testify in writing what Stalinism meant. Stalin himself was restored to posthumous official respectability, especially in his role as

Russia's war leader in 1941–45, and further attempts to excavate the political history of his time and lay bare the facts about it were driven underground. While no real revival of the cult of Stalin occurred, a regime determined to preserve so much of his institutional and political legacy had to enforce a fictional history of his reign. For Khrushchev the raking over of the Stalinist past appears to have served as personal penance as well as a political expedient. His successors, on the contrary, seem to reason the way the character of Glebov does in the play based on the late Yuri Trifonov's novel *House on the Embankment*: "The past is what we remember. If we stop remembering, the past will have ceased to exist, and we'll be all right."

A post-Khrushchev crackdown on the creative intelligentsia began in earnest in 1966 with the political trial of two prominent writers, Andrei Sinyavsky and Juli Daniel, and the campaign of protest against their conviction by numbers of intellectuals inaugurated the unofficial Russian human rights movement whose leadership was subsequently assumed by Academician Andrei Sakharov. Speaking more broadly, the contemporary dissident movement in Russia can be traced in large measure to the abandonment of regime-initiated reform under Brezhnev. So long as Russians could pin their hopes for change on the party-state's leadership, many were willing to try to work within the system and to envisage change in the system's own terms. The disappointment of those hopes after the passing of the Khrushchev era encouraged a further quest for new directions in national life.

As the dissident movement grew, especially after the Soviet military suppression of Czechoslovak communism's reform movement in 1968, the Soviet leaders have pursued an increasingly repressive policy toward people of unorthodox views. Its forms range from exile and imprisonment to punishment by psychiatric confinement to the hounding of individuals of talent and spirit into emigration.

The military takeover of Czechoslovakia made manifest a determination to preserve one other large part of Stalin's legacy: imperial rule in the communist sphere, and, in particular, single-party rule on the Soviet model in Eastern and Central Europe. Unlike 1956, when the Hungarian uprising confronted Moscow with a direct prospect of the departure of a communist-ruled nation from the Soviet sphere, the Czech reform movement presented a case of a communist regime's internal transformation through democratization. As the Czech reformers saw it, socialism was not being abandoned; it was being realized. When the Czechoslovak and Soviet leadership groups met at the border town of Cierna not long before the Soviet invasion, Alexander Dubček offered assurances to Brezhnev that socialism was not going to be given up in Czechoslovakia. Brezhnev made his regime's philosophy brutally plain by replying, "Don't talk to me about 'socialism.' What we have we hold."¹³

Is the Brezhnev period to be described, then, as one of Stalinism's revival? Despite its reactionary tendencies, such a characterization would be wide of the mark. The renewed military buildup and associated economic priorities are far from resurrecting the Stalinist state-building process in its pattern of revolution from above. Intense Soviet competition for political influence in the Third World is a different phenomenon from the cold war as waged by Stalin. Severe as it is, the present regime's repressiveness is not a replica of what went on in Stalin's terror state. The country is not isolated from the

¹³ I have this on the authority of a person who was present and overheard Brezhnev's words.

world as under Stalin. There is no freedom of emigration, yet many thousands of Jews and others have been allowed to leave in recent years. There are no freedoms of speech, press and assembly, yet an unpublished and unpublishable literature of *samizdat* has its shadowy existence and there is freedom of table talk among friends in their homes. The nation is not reduced, as in Stalin's time, to communicating in frightened whispers. This list of differences could be extended.

"Not Stalin's heirs but his heritage," Josip Broz Tito of Yugoslavia is said to have remarked about the men who succeeded Stalin in power. Just so, their regime is not one of Stalinism resurgent, but of attempted custodianship of much of its legacy: the swollen centralized state with superpower status in the world enforced by military might, the hierarchical system of power, the economic supermonopoly, the state and collective farm setup in the countryside, the foreign communist empire, the closed world of privilege for the nomenclature class. There is, however, another great part of Stalinism's legacy that the custodians would like to eliminate or alleviate but cannot: the crisis of Soviet society.

VIII

Economically as well as politically, the state swelled up during the Stalin era and has continued doing so in the recent past so far as basic industries and military production are concerned. Second only to the United States in gross national product, Russia is first in the world in steel, pig iron and cement, second in aluminum and gold. Its aerospace establishment is America's sole competitor. It produces ample arms for its own and subject states' needs and for export far and wide. It is self-sufficient in oil production and exports oil and gas to countries of its empire and beyond.

Yet, the people in their great majority remain "lean."¹⁴ This great industrial power does not, and within the frame of the system of supermonopolistic capitalism inherited from the Stalin period cannot, provide the bulk of its population with a decent standard of living. The transfusions of foreign technology during the Brezhnev *détente* have only somewhat eased the situation without seriously altering it. Above all, agriculture is in bad shape. It does not feed the country adequately, and the food situation has grown worse during the later 1970s and start of the 1980s, save for the privileged minority. Bread alone remains cheap and plentiful, at least in urban centers.

Moscow food stores have been closed on Sundays to stem the flow of people who travel for considerable distances from the surrounding countryside on their day off in search of locally unobtainable produce that can be bought in the country's best supplied city—its capital. A resident of Russia's second city, Leningrad, when asked not so long ago when the food situation there had

¹⁴ In "The Harsh Decade: Soviet Policies in the 1980s," *Foreign Affairs*, Summer 1981, p. 1008, Professor Seweryn Bialer has written: "The last 15 years have seen a growth in the standard of living of the Soviet people that was rapid by any—but especially by the Soviet—measure, particularly in the area of durable consumer goods The Soviet citizen—worker, peasant and professional—has become accustomed in the Brezhnev period to an uninterrupted upward trend in his well-being and more demanding in what he expects from the government in terms of goods and services." I beg to differ with the idea that the overall standard of living of the Soviet common man has improved in the Brezhnev period. Any improvement in supply of some durable goods has been greatly counterbalanced by the serious deterioration in the central element of Soviet living standards—food supply.

been worse than it is now, answered: "During the [World War II] blockade." The food shortage seems to be worst in small provincial towns in central areas of the country, and even on some of the state-run farms themselves. Thus, children living on a large state farm (*sovkhoz*) whose produce is taken for Moscow have been observed with stomachs distended from malnutrition. The reintroduction of a limited form of food rationing, not practiced since World War II, is reportedly under consideration. There is no one cause of the deteriorated food situation, but the fundamental fact is that Soviet state-run agriculture, a legacy of Stalin's re-enservment of the peasantry by brute terror, is an unmitigated disaster.

The shortage of factory-produced goods is not comparably acute, but neither are they, with few exceptions, in plentiful supply. Many goods are of shoddy quality, and some construction projects go for years uncompleted. An entire "second economy" has come into being to provide goods and services not obtainable from the first. Moreover, graft and corruption abound in the official economy itself, for example, in the common practices of bribery and the temporary hiring under flimsy arrangements of so-called *shabashniki* (people who work privately for cash payment) by state managers who cannot get a job done properly by their unmotivated state-employed workers. In sum the Soviet people, in its great majority, is underfed, under-housed and under-almost-everything except under-ruled, under-policed and under-propagandized.

Since the limited targets for higher living standards, adopted by the Twenty-Fourth Party Congress in 1971, not to mention Khrushchev's glowing promises in 1961 of communism by the 1980s, have not been fulfilled, the leadership has had to radically revise (downward) its timetable for the society's advance toward communism. Brezhnev went before the Twenty-Sixth Party Congress in February 1981 and declared that it was necessary to rewrite the Party program adopted in 1961, eliminating its vision of the complete construction of a communist society during the 1980s. It was inappropriate, he explained, for the program to stipulate specifics. Yet, the idea of the party's and society's commitment to the goal of full communism is indispensable to the regime. Upon it rested and rests the Communist Party's claim to a rightful monopoly of all power and an authoritative guiding role in all governmental and nongovernmental organizations in Russia. The legitimacy of the system turns on the concept of the one party as the possessor of a true teaching, Marxism-Leninism, which holds the key to the society's (and every society's) ultimate goal of communism. If there were no such goal and no authoritative knowledge of the way to it, the party could not present itself to the people as their "conscious vanguard" in the long march to what its propaganda has called the "glittering heights" of communism.

Here is the context for understanding the crisis of society in contemporary Russia. Every society has its real existence in the minds of its members, their sense of constituting together an association with historical significance, of common participation in a worthwhile collective enterprise. This is what the society's sustaining myth signifies. In the Soviet case, as a consequence of all the shocks that the history reviewed here has administered, the myth no longer sustains more than a small minority, if that. People en masse have stopped believing in the transcendent importance of a future collective condition called "communism." They have stopped believing in the likelihood of the society arriving at that condition and the desirability of trying to achieve it

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through the leading role of the Communist Party, or through themselves as “builders of communism,” which is how the official Party program defines Soviet citizens. In a society with an official culture founded on just those beliefs, this spells a deep crisis.

The evidence for this comes in many forms, first of all the testimony of knowledgeable people. Andrei Sakharov has said in a message from his apartment-prison in Gorky: “There are few people who react seriously any more to slogans about building Communism, although there was a time when, perhaps as a result of a certain misunderstanding, Communist slogans reflected a wish for justice and happiness for all in the world.”¹⁵ A Moscow intellectual, himself a party member, estimated recently that no more than one or two percent of party members are true believers, and said: “Most of them would not belong if they could get away with it. But they are afraid.”¹⁶ The popular mind, as expressed in anecdotes, suspects that the leaders themselves no longer believe the slogans they repeat. According to an anecdote I heard in Russia in 1977, the country is a train headed for a destination called “communism,” with Stalin, Khrushchev and Brezhnev in charge. When, after a time, the train grinds to a halt, Stalin orders the engineer shot and the fireman sent to a concentration camp. The train moves on and then stops again. Now it is Khrushchev’s turn to give orders. He posthumously rehabilitates the executed engineer and frees the fireman from camp to drive the train. When that happens, the train moves on, then comes to a halt again. Now it is Brezhnev’s turn to solve the problem, and he says: “Let us draw the curtain and pretend the train is moving.”

The widespread failure of belief is at least one of the main causes of a variety of other, more overt phenomena indicative of a profoundly troubled society: the desire of many people, and not just Jews, to start new lives elsewhere, despite the risks and difficulties entailed; the defections of prominent cultural figures who enjoyed every advantage that high position in Soviet society could bring, such as the orchestra conductors Kirill Kondrashin and Maksim Shostakovich; the veritable epidemic of chronic alcoholism that afflicts Russia nowadays; the already mentioned shoddy work that so many perform on the job; and the near universal indifference toward what is written in the official press. These facts must be balanced, however, against the realization that Russians still have patriotic feelings and that many doubtless take a certain pride in, and are defensive about, the military might of their state and its superpower status in the world. But even this pride is intermixed with a haunting fear of another great destructive war in a society where the memory of the horrors of World War II is still alive and the authorities consciously play upon war fears in order to solidify popular support.

The failure of belief in the official myth of Soviet communism among the many has been accompanied by a recovery of belief in new forms among some—those known in the West as the “dissidents.” Indeed, the dissident movement might more accurately be described as a *belief movement*. For those who have joined it, whatever the divisions between them in the content of their beliefs, are united in the discovery, one way or another, of a *Rus’* that they *can* believe in as distinct from the official Russia of their daily lives. As

¹⁵ “Sakharov: A Letter from Exile,” *The New York Times Magazine*, June 8, 1980.

¹⁶ Craig R. Whitney, “Crisis in Ideology in Soviet Turns Rulers to Old Values,” *The New York Times*, October 12, 1980.

one of them, Lev Kopelev, said on his departure from Moscow airport in December 1980, in parting words to his friends: "I believe in Russia." If the movement had a motto, that could be it.

The *Rus'* that Aleksandr Solzhenitsyn and his followers believe in is a resurrected pre-Bolshevik Orthodox Russia. Andrei Sakharov and some others believe in a *Rus'* convergent with open societies, one in which human rights are secured and whose government cooperates with others in addressing the great problems of conflict, population growth, resource depletion, pollution and the like on the darkening globe of the late twentieth century. Roy A. Medvedev and his fellow reformers envisage a movement from the closed Soviet system to a democratized Marxist Russia. Many people have reverted to some form of religious belief, and many in the non-Russian republics have found meaning in their own forms of nationalism.

The belief movement should not be written off as of little significance because of the relatively small numbers actively involved and the fact that most of the activists have by now been imprisoned or intimidated into silence or expelled from the country. Its roots lie in the very failure of belief that characterizes contemporary Soviet society. The recovery and profession of belief in new forms is a response by those individuals for whom the frequently found combination of inner unbelief and outer conformism is not a tolerable way of living. If this is so, the movement can be temporarily repressed but not stamped out. As Georgi Vadimov, a distinguished writer and president of the Moscow chapter of Amnesty International, said some time ago (when the chapter was down to six members), "The movement is shattered. But it will rise again, in a new form, with new people. It is the only way for Russia to get out of this mess."

We have credible indications that there are in the middle rungs of the Soviet establishment itself some people who have come to feel that the supermonopolistic economy has reached an impasse and that fundamental changes are essential. They are linked with the present regime by the circumstances of their lives and careers—most are members of the Communist Party. They are not visionaries with recipes for Russia's salvation, but simply patriotic functionaries with training and experience in the management of an industrial society and concern over the critical condition of their society. Fedor Zniakov in the already cited memorandum describes them as an emergent "middle class" of factory directors and others who desire liberation from "supermonopolistic totalitarianism" so that their production units may function autonomously according to economic criteria.¹⁷

Alexander Yanov, writing from his extensive experience as a journalist who interviewed industrial executives before his emigration from the U.S.S.R., cites as typical the views of one important Leningrad industrialist. He and other managers, engineers, economists and the like who have learned to think independently would like, the industrialist said, to be able to *work* independently. He went on: "They are ashamed of Soviet backwardness, its dependence on foreign technology, its humiliation. They believe that one reason for this backwardness is that their hands are tied—and tied tightly. Give them free rein, and tomorrow they will fire half the workers in their shops and pay the rest two, three, or five times more, depending on their skills (this assures them of sympathy and support from the skilled segment of the working class);

¹⁷ Zniakov, *op. cit.*, p. 9.

they will introduce innovative, fundamentally new modes of work organization; they will be ready to experiment day and night." The only obstacle, he added, is "the Party administration's total domination of the economy."¹⁸

How widespread such views and feelings are in the ranks of middle and higher management is a matter on which we can only speculate. What can be said for certain is that those views and feelings exist. The people who harbor them have the mental freedom to think critically because, despite their linkages with the supermonopoly, their personal futures are not necessarily bound up with its perpetuation or its continuation in the present form; their talents and energies would be as needed in a post-supermonopolistic Russia as in the present one and would, indeed, have far more useful outlet. They are a potential constituency for change. The kind of change they envisage, however, is peaceful, evolutionary change, not an upheaval. Given the country's historical traditions and political culture, the sine qua non of liberalizing change of the sort envisaged would be strong political leadership from above.

A fact that must be faced is that the one part of the Soviet system that truly works efficiently is the police and the military establishment, which cannot make the system perform well but can keep it from being changed. As in tsarist Russia, what developed as a dynamic autocratic state authority in the state-building process remains so strong now as a force for the preservation of the system that the state can successfully block its own thorough transformation—unless leadership for change appears from above. Such leadership is out of the question so long as the present aging oligarchy remains in control. Whether it will emerge when new leaders take over in the not distant future is hardly likely, but we should not rule it out as unthinkable.

IX

Writing in European exile in the second half of the nineteenth century, the expatriate Russian, Alexander Herzen, said of the contemporary tsarist state that "It wields power in order to wield power." It had lost whatever spiritual *raison d'être* it had earlier possessed. By force of the whole circular movement of Russia's history in the twentieth century, that judgment once again applies. Stalin's protégés in power are men in control of a spent society. As a system of power expressed in military and police institutions, Soviet communism remains strong, very strong. But as a culture it is historically played out because the belief system on which it was founded has lost its meaning. The rulers wield power in order to wield power.

This, despite everything, puts change on Russia's agenda, although no one can say how and when it will start and what direction it will take. The great problem is how to overcome the legacy of the past, to bring about a Russian renewal peaceably and evolutionarily. That would mean a change in the relationship between state and society—not something unprecedented in the country's history. The tsar-initiated reforms of the 1860s inaugurated the gradual emancipation of Russian society from the all-encompassing tutelage of the bureaucratic state. Official Russia contracted somewhat, under its own leadership, and Russia's society emerged into the open from behind the "shroud" with which, as Herzen put it, the state had covered it up previously. Social forces acquired some scope for self-expression. As noted earlier, this

¹⁸ *Détente After Brezhnev: The Domestic Roots of Soviet Foreign Policy*, Berkeley: University of California Institute of International Studies, 1977, p. 29.

process stopped short of its natural culmination in the transformation of the state system itself.

Can such a process of society's emancipation develop in the Soviet Russia of our time? There is reason for pessimism when one considers the weight of the legacy, its deleterious effects on the popular consciousness and ethos, the strength of the repressive agencies, and the material interest of a dominant minority as a group in the system's preservation more or less as is. On the other hand, there is ground for hope when we consider the critical condition of the country as described above, and the fact that there are people among the intelligentsia, among the working classes and in the bureaucracy itself who are conscious of and troubled by the situation and see the urgent need for some kind of change in the state-society relationship. They have no better spokesman than the recently exiled Soviet writer, Vladimir Voinovich, who says: "Democracy is the natural state of society, as a live organism that can stumble, be mistaken, get burned. But society has its nerve endings that register pain and force the whole organism to learn its lesson from those mistakes No problems in the Soviet Union, economic, political, national, or religious, can be decided without democratization of the whole society. Is that possible? I don't know."¹⁹ The matter had best be left on that sensible note of uncertainty.

The rest of the world has a vital stake in the Russian renewal in question here. But does the West, the United States in particular, have any meaningful part to play in facilitating it? Only in an indirect way, it seems, but this indirect way is an important one. The West can, first, continue, as it has done in the recent time of *détente*, to accord Soviet Russia the status that it claims as a great power with worldwide interests and responsibilities. But, beyond this, it can seek incessantly to engage the Soviet Union in cooperative efforts toward constructive solutions for increasingly menacing world problems. At the same time, it can and should do everything possible to create a less tense international atmosphere in which it will be easier for Russian minds to concentrate attention, as they need to do, upon their difficult internal and imperial situation and find a way out of it.

¹⁹ Vladimir Voinovich, "I Am Not a Dissident," *The New York Times*, May 23, 1981.

RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Lucy Edwards Despard

General: Political and Legal

John C. Campbell

THE DIPLOMACY OF SURPRISE: HITLER, NIXON, SADAT. By Michael I. Handel. Cambridge: Center for International Affairs, Harvard University, 1981, 369 pp. \$22.50 (paper, \$11.95).

The author's purpose is to establish some patterns and theories from a comparative study of notable examples of the surprise move and the diplomatic coup. His case studies are of Hitler's coups in the 1930s and his pact with Stalin, Nixon's opening to China, and Sadat's feats of the past decade, such as kicking out the Russians in 1972 and going to Jerusalem in 1977. He adds little to our knowledge of the various episodes, but the analysis, though at times labored, is a contribution to understanding the nature of diplomacy and the relation of intelligence (both kinds) to foreign policy.

POLITICS AS LEADERSHIP. By Robert C. Tucker. Columbia: University of Missouri Press, 1981, 164 pp. \$15.00.

A series of essays, originally lectures, in which Robert C. Tucker brings his expertise in Russian affairs and in psychology to bear on the question of leadership and political decision. A thoughtful, urbane and intelligent book.

WAR AND CHANGE IN WORLD POLITICS. By Robert Gilpin. New York: Cambridge University Press, 1981, 272 pp. \$19.95.

In his search for a valid theory of international relations, Gilpin explores economic, sociological and political approaches and finds the essence of the international system, throughout history, in an ever-changing equilibrium threatened by the uneven growth of power among states. The book is rich in the use of history and the breadth of its analysis and it breaks some new ground. It is, also, an academic study written for academics; the general reader, though he may need to absorb its lessons, will find it rather hard going.

INTERNATIONAL INEQUALITY. By V. Kubáľková and A.A. Cruickshank. New York: St. Martin's, 1981, 293 pp. \$29.95.

Two Australian academics survey, with great objectivity, the approaches of Soviet and Chinese Marxism, Third World thinking, and past and present Western thought about the fundamentals of international politics.

W.D.

POLITICAL ROLES AND MILITARY RULERS. By Amos Perlmutter. London: Cass, 1981, 313 pp. (Totowa, N.J.: Biblio, distributor, \$25.00).

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These essays, plucked from prior publications over the years, find Perlmutter jousting with rival scholars over the nature of the role of the military in the politics of the Middle East and, tangentially, the rest of the Third World. Concentrating on Egypt, he makes much of his concept of the praetorian army and the praetorian state. The theories invite controversy, but he is utterly realistic in seeing where political power lies.

THE PRUDENT PEACE: LAW AS FOREIGN POLICY. By John A. Perkins. Chicago: University of Chicago Press, 1981, 268 pp. \$28.00.

A lawyer's brief for placing international law at the center of foreign policy. He sees law not as a utopian alternative to the existing realities of power and national sovereignty, but as part of a developing common structure responsive to "the felt necessities of the time." The appeal has merit, but the author does not deal with such problems as how relations with the U.S.S.R. fit in.

HUMAN RIGHTS AND STATE SOVEREIGNTY. By Richard Falk. New York: Holmes & Meier, 1981, 251 pp. \$28.50 (paper, \$15.75).

Richard Falk combines a keen legal mind with a passionate concern for human rights and deep distrust of official American policy in this as in other fields. His arguments here are familiar—against imperialism, for humane socialism, for nonofficial action on behalf of human rights—but the issues are clearly posed and the book is well worth reading.

CRISIS IN INTERNATIONAL NEWS. Edited by Jim Richstad and Michael H. Anderson. New York: Columbia University Press, 1981, 473 pp. \$28.50 (paper, \$12.50).

ELECTRONIC COLONIALISM: THE FUTURE OF INTERNATIONAL BROADCASTING AND COMMUNICATION. By Thomas L. McPhail. Beverly Hills: Sage, 1981, 260 pp.

Two more products of the long debate over a "new international information order," covering familiar ground. The Richstad-Anderson volume is a potpourri of reprinted articles representing the conflicting viewpoints, excerpts from the reports of the MacBride Commission, and sensible comment by the editors. The book by McPhail, a Canadian expert on international communications, combines broad knowledge with incisive judgment. Both books lead one to conclude that (a) the debate will go on indefinitely; (b) it will not be settled by UNESCO resolutions; and (c) certain elements of a new information order, partly because of technological change, are nevertheless coming into being.

PRACTICING HISTORY: SELECTED ESSAYS. By Barbara W. Tuchman. New York: Knopf, 1981, 306 pp. \$16.50.

The many who have found profit and pleasure from Barbara Tuchman's excursions into history and international affairs should find more of the same in these essays and lectures on her craft appearing over a span of some 35 years.

General: Military, Technological, and Scientific

Andrew J. Pierre

THE INTERNAL FABRIC OF WESTERN SECURITY. By Gregory Flynn and others. Totowa (N.J.): Allanheld, Osmun (for the Atlantic Institute for International Affairs), 1981, 250 pp. \$32.50.

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The product of a multinational study, this is an ambitious and in many ways unique book. The authors seek to examine the relationship between internal economic, socio-cultural and political factors in the four most important European members of the Atlantic Alliance and their external security strategies and perspectives. This not-so-easy task is well done in four good case studies. These are then woven by the editor into a broader cloth dealing with Alliance-wide issues. Altogether, a challenging research project, accomplished with skill and sophistication, which should be of considerable value to students of Atlantic affairs.

ANGLO-AMERICAN DEFENCE RELATIONS, 1939–1980. By John Baylis. New York: St. Martin's, 1981, 259 pp. \$22.50.

An accurate and well-balanced overview of the "special relationship" between Britain and the U.S. with almost total emphasis on nuclear weapons collaboration and discord. The author, however, does not break new ground—nor does he speculate much about the uncertain future.

BEYOND THE SALT II FAILURE. By John F. Lehman and Seymour Weiss. New York: Praeger, 1981, 195 pp.

In the foreword Richard Perle, presently the Assistant Secretary of Defense for International Security Policy, sees a disturbing parallel between British sentiments in the 1930s and recent arms control theories. As Chamberlain admitted in 1938, "weakness in armed strength means weakness in diplomacy." Seymour Weiss and John Lehman, now Secretary of the Navy, in a series of essays taken from articles over the 1977–1979 period, point out the shortcomings of the SALT process and the necessity for \$30 billion in additional defense funding to close the gaps. The assumption that the Soviets were merely trying to catch up to the U.S. and were not seeking superiority had, in the authors' view, biased our past intelligence estimates and our defense spending.

THE POLITICS OF PEACE: AN EVALUATION OF ARMS CONTROL. By John H. Barton. Stanford: Stanford University Press, 1981, 257 pp. \$18.50.

Starting with the assumption that there is no future for arms control as presently pursued, the author seeks to identify a "new agenda." This includes greater citizen participation, elected groups of experts, and reformed international institutions. This is a carefully formulated and seriously presented argument, although it does not—cannot?—go into adequate depth on any single issue. It is an important contribution to the literature, but, alas, reality gets in the way of pure reason.

NUCLEAR POWER AND NON-PROLIFERATION: THE REMAKING OF U.S. POLICY. By Michael J. Brenner. New York: Cambridge University Press, 1981, 324 pp. \$24.95.

This is a very well-informed, intelligent and often fascinating account of the policymaking process regarding nuclear nonproliferation during the Ford and Carter Administrations. Far more than a narrator, the author makes knowledgeable and critical assessments along the way. He finds the overall performance of the U.S. government in dealing with this complex issue to be woefully incompetent, but his standards may be unrealistically high. This scholarly case study should be of use to all students of bureaucratic politics.

YELLOW RAIN: A JOURNEY THROUGH THE TERROR OF CHEMICAL WARFARE. By Sterling Seagrave. New York: M. Evans, 1981, 324 pp. \$11.95.

Despite the restrictions imposed by the 1899 Hague Convention and the Geneva Protocol of 1925, chemical warfare is being undertaken. Strong evidence of the Soviet use of new "superpoisons" (on Afghani soldiers and villagers, for example), combined with a lack of a defense strategy against chemical attack in the majority of NATO countries, lead Seagrave to this conclusion: while past American policy on chemical warfare has been foolhardy, involving dangerously excessive stockpiling, recent Soviet advances in the field unhappily necessitate the development of an improved though very limited American chemical capability.

THE ORIGIN OF THE STRATEGIC CRUISE MISSILE. By Ronald Huiskens. New York: Praeger, 1981, 202 pp.

Huiskens investigates the unique development of the strategic cruise missile—unique, the author claims, because "there was no open debate at all" on the system prior to the urgent request that one be developed in the context of the SALT negotiations. (It is also unique in the fact that the cruise missile was investigated and discarded in the 1950s.) In describing the weapons acquisition process for cruise missiles, Huiskens sheds much light on the political as well as technical military process.

INTERNATIONAL ARMS PROCUREMENT. Edited by Martin Edmonds. Elmsford (N.Y.): Pergamon Press, 1981, 227 pp. \$24.00.

Whether multinational efforts in arms procurement are worth the political struggles and sometimes added economic costs that they entail has become a debatable issue. This is an excellent series of essays, with interesting case studies on the Roland missile, the main battle tank, and the Tornado combat fighter.

AMERICAN NATIONAL SECURITY: POLICY AND PROCESS. By Amos A. Jordan and William J. Taylor, Jr. Baltimore: Johns Hopkins Press, 1981, 604 pp. \$30.00 (paper, \$10.50).

This should become a classic text, widely used in universities. Written by two well-known and respected former soldier-scholars at West Point (with the assistance of about 40 "associates"), it does an exemplary job of explaining the process of defining and implementing national security objectives. Hardly any significant subject is omitted from this very rich and readable volume.

LE RISQUE DE GUERRE. By Charles Zorgbibe. Paris: Editions de la R.P.P., 1981, 172 pp.

A lively, well-informed "*tour d'horizon*" of the global problems of the 1980s as seen by a respected French academic.

General: Economic and Social
William Diebold, Jr.

BUSINESS POWER AND PUBLIC POLICY. By Alfred C. Neal. New York: Praeger, 1981, \$21.95 (paper, \$9.95).

The former president of the Committee for Economic Development deals trenchantly with such basic issues as fiscal and monetary policies to curb inflation and promote full employment, the dissipation of capital, the social

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responsibilities of business, the power of unions and increased concentration in industry. Mr. Neal rejects many of the accepted views of businessmen and economists—and quite a few proposals for reform. The real choice for the American economy, he says, is between oligopoly and socialism. His views of national planning and the market, and of what government-business relations should be, make this excellent book very timely.

AMERICA'S COMPETITIVE EDGE. By Richard Bolling and John Bowles. New York: McGraw-Hill, 1981, 272 pp. \$14.95.

A Democratic Congressman and an investment banker focus on energy, productivity and trade policy. Their models for solutions to current American problems include the Marshall Plan, the Hoover Commission, Japan, and American agricultural policy. Sometimes closely analytical and sometimes inspirational, this is a good popular work.

THE ULTIMATE RESOURCE. By Julian L. Simon. Princeton: Princeton University Press, 1981, 415 pp. \$14.50.

This is an aggravating book. At the core is a well-reasoned challenge to simplistic views about the exhaustion of the world's resources. Arguments based on feedback and economic response, an emphasis on people (the "ultimate resource") as productive materially and intellectually, rebut the expectations of doom. Unfortunately, the polemical approach makes an optimistic outcome sound inevitable instead of something that can only be achieved by intelligent effort. The result is to encourage complacency which could in fact bring on the doom he shows can be avoided.

BUILDING A SUSTAINABLE SOCIETY. By Lester R. Brown. New York: Norton, 1981, 433 pp. \$14.95.

Accepting as real the dangers that can come from the pressure of people on finite resources, the president of the Worldwatch Institute takes the opposite tack from Julian Simon. He devotes his efforts to showing what can be done—in energy, food and other fields—to achieve a "sustainable" society. This is an eloquent, hopeful book.

THE JAPANESE CHALLENGE TO U.S. INDUSTRY. By Jack Baranson. Lexington (Mass.): Lexington Books, 1981, 188 pp. \$19.95.

Why are the Japanese so successful in competing with American business? Mr. Baranson's multiple answers go well beyond the stereotypes of "Japan, Inc."—though he does not neglect government help and guidance—and emphasize the strategies, tactics and methods of private industry. The consumer electronics industry of both countries provides a sharp focus for his excellent discussion. There is a good coda on the automobile industry (about which Mr. Baranson has written before).

COLLECTIVE MANAGEMENT: THE REFORM OF GLOBAL ECONOMIC ORGANIZATIONS. By Miriam Camps with Catherine Gwin. New York: McGraw-Hill (for the Council on Foreign Relations/1980s Project), 371 pp. \$16.95 (paper, \$10.95).

This book argues that national and international economic decisions should take greater account of global interests, analyzes the shortcomings of existing institutions and regimes, and offers a plan for their reform. Creating a Production and Trade Organization is the most far-reaching suggestion. The proposed modifications in the IMF and the World Bank Group and the

proposal to consolidate several U.N. efforts in a Basic Support Program involve less radical departures from present trends. This excellent study introduces intellectual rigor, realism, and a sense of direction into the often muddled and generally sterile debate about the future of international economic institutions.

Harold K. Jacobson

THE FUTURE OF SOCIALIST ECONOMIC INTEGRATION. By Kálmán Pécsi. Armonk (N.Y.): Sharpe, 1981, 190 pp. \$20.00.

Among the major difficulties that the Soviet Union and its East European allies have faced in trying to integrate their economies have been the poor quality of their manufactured goods, isolated national price structures, the deficiencies of the payments arrangements built on the transferable ruble, and the tension between national planning and international specialization. These and other important, often delicate, issues are dealt with in a straightforward and authoritative way by a Hungarian economist who has been involved for years in the work he discusses. This is one of the best books on this subject in English.

THE ROLE OF FINANCE IN THE TRANSITION TO SOCIALISM. By Stepheny Griffith-Jones. Totowa (N.J.): Allanheld, Osmun, 1981, 194 pp. \$26.50.

To be successful, socialism requires sound finance. That is the essence of this fascinating study showing how much damage was suffered by socialist regimes which at an early stage ignored or misunderstood financial and monetary problems. The early years of the Soviet Union, Czechoslovakia in 1945–48, and Allende's Chile—where the author was a bank official—are the cases from which Griffith-Jones draws both the lessons and the pointers toward what is needed to “modernize” revolutionary thinking.

THE TRANSITION TO EGALITARIAN DEVELOPMENT. By Keith Griffin and Jeffrey James. New York: St. Martin's, 1981, 128 pp. \$20.00.

Wide-ranging but concise, this rigorous analysis concludes that to redistribute income on any large scale you have to redistribute wealth and do it quickly. Partial steps usually produce losers as well as gainers among the poor, but the authors suggest some possible, though difficult, transitional measures.

THE THIRD WORLD AND U.S. FOREIGN POLICY. By Robert L. Rothstein. Boulder (Colo.): Westview Press, 1981, 271 pp. \$27.50 (paper, \$12.00).

As the books on the United States and the Third World pile up, this should be kept in mind as one of the best. The author is tough-minded and usually shows uncommonly good sense about what the policy problems really are. Some stretches are wordier than their content requires, but the long view and comprehensiveness are strengths.

INTRA-FIRM TRADE AND THE DEVELOPING COUNTRIES. By Gerald K. Helleiner. New York: St. Martin's, 1981, 110 pp. \$22.50.

A growing volume of international trade is carried on among companies that are closely connected to one another. Professor Helleiner of Toronto rigorously and tersely analyzes the limited data and suggests the larger implications they may have for theory and policy. A valuable pioneering study, it points to the work that needs to be done on this subject.

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THE NEWLY INDUSTRIALIZING COUNTRIES IN THE WORLD ECONOMY. By Bela Balassa. Elmsford (N.Y.): Pergamon Press, 1981, 461 pp. \$45.00 (paper, \$18.50).

The prolific author—who works for the World Bank as well as teaching—deals with major issues and argues forcefully for the mutual advantages of most countries adapting to the changing international division of labor, especially in manufacturing. His 18 essays deal with a number of countries and topics, but most are tied together by theme and thought.

THE CHATHAM HOUSE ANNUAL REVIEW. VOL. I: INTERNATIONAL ECONOMIC AND MONETARY ISSUES. Edited by the Royal Institute of International Affairs. Elmsford (N.Y.): Pergamon Press, 1981, 249 pp. \$20.00.

Four good studies on export credits, imports from newly industrializing countries, Third World debt, and technology transfer for development. The papers were originally issued separately.

INTERNATIONAL TECHNOLOGY TRANSFER: GUIDELINES, CODES AND A MUFFLED QUADRILOGUE. By Howard V. Perlmutter and Tagi Sagafi-nejad. Elmsford (N.Y.): Pergamon Press, 1981, 234 pp. \$27.50.

CONTROLLING INTERNATIONAL TECHNOLOGY TRANSFER. Edited by Tagi Sagafi-nejad and others. Elmsford (N.Y.): Pergamon Press, 1981, 544 pp. \$55.00.

Although the approach is somewhat schematic, the first book is an interesting effort to find propositions on which suppliers and recipients of technology might agree. The larger volume deals with a wide variety of controls, regulations and policies in a frequently informative manner.

DEVELOPMENT PERSPECTIVES. By Paul Streeten. New York: St. Martin's, 1981, 449 pp. \$35.00.

One of the most thoughtful development economists—who also writes well—deals in these two dozen papers with basic concepts and methods, alternative approaches, and a series of specific problems. The standards are high and the criticisms acute.

THE INTERNATIONAL POLITICS OF SURPLUS CAPACITY: COMPETITION FOR MARKET SHARES IN THE WORLD RECESSION. Edited by Susan Strange and Roger Tooze. Winchester (Mass.): Allen & Unwin, 1981, 229 pp. \$28.50.

By focusing on “surplus capacity,” the organizers of the conference for which these papers were written gave a twist to the subject of economic policy and adaptation that stimulated a number of interesting comments on history, international relations and the problems of several industries.

REGIONALISM AND THE NEW INTERNATIONAL ECONOMIC ORDER. Edited by Davidson Nicol, Luis Echeverría and Aurelio Peccei. Elmsford (N.Y.): Pergamon Press (for UNITAR/CEESTEM), 1981, 387 pp. \$45.00 (paper, \$19.50).

Two dozen papers and a number of comments that deal, very unevenly, with “regionalism” as a fact, a set of possibilities, and an aspect of other issues.

THE WORLD ECONOMY IN THE 1980s. By C. Fred Bergsten. Lexington (Mass.): Lexington Books, 1981, 178 pp. \$16.95.

Fourteen papers on a variety of public policy issues all produced in the author's last year (1980) as Assistant Secretary of the Treasury.

The United States

Gaddis Smith

AMERICAN POLITICS: THE PROMISE OF DISHARMONY. By Samuel P. Huntington. Cambridge: Harvard University Press, 1981, 303 pp. \$15.00.

This is an important contribution to American political thought. The disharmony results from what Huntington calls the "IvI" gap—the gap between American ideals of moral perfection and the inevitable imperfections of institutions. American ideals, he says, are ultimately at war with all government. Like Reinhold Niebuhr, who said much the same thing in *Moral Man and Immoral Society* (1932), Huntington believes that a nation which refuses to understand this gap will destroy itself.

BLUE SMOKE AND MIRRORS: HOW REAGAN WON AND WHY CARTER LOST THE ELECTION OF 1980. By Jack W. Germond and Jules Witcover. New York: Viking, 1981, 337 pp. \$14.95.

Old-fashioned political reporting in the worthy tradition of Theodore H. White. This is a story of dramatic failures—Edward Kennedy, John Anderson, and above all Jimmy Carter—and of the ability of the Reagan team to avoid fatal mistakes.

THE HIDDEN ELECTION: POLITICS AND ECONOMICS IN THE 1980 PRESIDENTIAL CAMPAIGN. Edited by Thomas Ferguson and Joel Rogers. New York: Pantheon, 1981, 342 pp. \$16.50.

Sprightly essays by 11 political scientists. A major conclusion, based on substantial evidence, is that Reagan's victory does not represent a realignment but a "fateful *dealignment*, the continued disintegration of those political coalitions and economic structures that have given American party politics some stability and definition during the past generation." The book's overall tone and thrust will be applauded by those appalled by the nature of the campaign and its outcome.

MISSION TO IRAN. By William H. Sullivan. New York: Norton, 1981, 296 pp. \$14.95.

Ambassador Sullivan, a career diplomat with extensive experience in Asia but little in the Middle East, served in Iran from 1977 until mid-1979 and witnessed the onset of the revolution and the fall of the Shah. This lucid and outspoken account describes what and how he learned about the revolution and why he disagreed with the Carter Administration, and especially Zbigniew Brzezinski, over policy.

POLITICAL PILGRIMS: TRAVELS OF WESTERN INTELLECTUALS TO THE SOVIET UNION, CHINA AND CUBA. By Paul Hollander. New York: Oxford University Press, 1981, 524 pp. \$25.00.

An unrelenting and impressively documented criticism of left-wing intellectuals, mostly Americans, for pursuing a double standard: extreme disenchantment with their own societies and naïve idealization of communist regimes. Although foreign officials sought to mislead their friendly visitors, Hollander

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maintains that the reasons for their unbalanced perceptions are to be found primarily in the visitors' psyches. The book is a respectable contribution to academic neo-conservatism.

TARGET AMERICA: THE INFLUENCE OF COMMUNIST PROPAGANDA ON U.S. MEDIA. By James L. Tyson. Chicago: Regnery Gateway, 1981, 284 pp. \$12.95.

Nineteen-fifties witch-hunting reborn. The author maintains that America's problems stem largely from the effects of communist propaganda spread within our society by witting or unwitting agents of a global conspiracy. The book is silly, but in the climate of the early 1980s it will probably receive more attention than it deserves.

WAR POWERS OF THE PRESIDENT AND CONGRESS. By W. Taylor Reveley, III. Charlottesville: University Press of Virginia, 1981, 394 pp. \$15.95.

A solid constitutional history which finds that Presidents and Congresses have shaped the distribution of war powers by "their beliefs about what the Constitution requires" and not solely by "the play of power." The author, a lawyer, approves and urges even more respect for constitutional limits.

EXPLORING THE JOHNSON YEARS. Edited by Robert A. Divine. Austin: University of Texas Press, 1981, 280 pp. \$25.00.

Chapters on the White House staff, the media, Johnson himself, and policy toward Vietnam, Latin America, civil rights, poverty, and education survey the existing literature and offer preliminary comment on unpublished sources available in the Lyndon B. Johnson Library. The material on foreign affairs open to scholars is still thin. A useful guide for present and future students of the LBJ Presidency.

WARRIORS AT SUEZ: EISENHOWER TAKES AMERICA INTO THE MIDDLE EAST. By Donald Neff. New York: Linden Press/Simon and Schuster, 1981, 480 pp. \$17.95.

A thoroughly researched and powerfully written account of the many sides of the Suez crisis. Material from the United Nations archives is especially valuable. The portrait of Anthony Eden is devastating, the criticism of France and Israel severe, and the sympathy for Nasser and Egypt considerable. President Eisenhower receives moderately high marks. Perhaps the best book yet written on the subject.

PRE-INVASION BOMBING STRATEGY: GENERAL EISENHOWER'S DECISION OF MARCH 25, 1944. By W.W. Rostow. Austin: University of Texas Press, 1981, 166 pp. \$18.00 (paper, \$8.00).

During World War II the author was a young officer involved in selecting targets for bombing in the war against Germany and in evaluating the results—a necessary form of negative economic planning which fascinated its practitioners. Here, in the first of a series of case studies of "Ideas and Action," he recounts, with extensive documentary appendices, the intellectual process behind the decision to concentrate on striking rail facilities on the eve of D-Day.

THE UNITED STATES, BRITAIN AND APPEASEMENT, 1936–1939. By C.A. MacDonald. New York: St. Martin's, 1981, 220 pp. \$25.00.

Drawing on conventional diplomatic archives, the author explores the

ambiguous American contribution to the appeasement of Germany. Prime Minister Neville Chamberlain, as is well known, distrusted President Roosevelt, while the President "was caught between the desire to play a larger part in world affairs and the necessity of preserving his political position at home."

U.S. DIPLOMATS IN EUROPE, 1919-1941. Edited by Kenneth Paul Jones. Santa Barbara (Cal.): ABC-Clio Press, 1981, 240 pp. \$35.00.

Short essays by younger historians on the work of ten diplomats. Although none of the subjects significantly influenced Washington policy, their ideas help us to understand two uninspiring decades and often point to paths not taken. The essays on Prentiss Gilbert, who was the American contact with the League of Nations, and on Soviet specialist Loy Henderson are particularly good.

A NORTH AFRICA STORY: THE ANTHROPOLOGIST AS OSS AGENT, 1941-1943. By Carleton S. Coon. Ipswich (Mass.): Gambit Press, 1980, 146 pp. \$10.95.

Carleton Coon, the Harvard anthropologist, was an OSS cloak-and-dagger man in North Africa during World War II. Immediately after the events he dictated his recollections, here printed. The material is rough, sometimes confusing, and yet interesting as a picture of the romantic and unconventional character of the OSS.

The Western Hemisphere

Robert D. Crassweller

IDEOLOGIES IN QUEBEC: THE HISTORICAL DEVELOPMENT. By Denis Monière. Toronto: University of Toronto Press, 1981, 328 pp. \$30.00 (paper, \$10.95).

Too much of the writing on Quebec politics gives the impression that little of importance occurred before yesterday. This excellent study, using a social class analysis, begins with New France and is concerned primarily with the years before 1945.

G.S.

CORPORATISM AND NATIONAL DEVELOPMENT IN LATIN AMERICA. By Howard J. Wiarda. Boulder (Colo.): Westview Press, 1981, 382 pp. \$28.25.

Corporatism is examined here in every aspect, in theory and in practice, beginning with its history and continuing with its sociology, ideology and political economy. The scholarship is detailed and thorough. The general thrust accords with the "tradition of seeking a more realistic interpretation of Latin American politics and social change, of reconciling or seeking to show the crazy-quilt patterns of an area where both democratic institutions and authoritarian, elitist, and corporatist ones have been strong."

URBAN POLITICS IN BRAZIL: THE RISE OF POPULISM, 1925-1945. By Michael L. Conniff. Pittsburgh: University of Pittsburgh Press, 1981, 227 pp. \$19.95.

A skillful and persuasive account of the origins of populism, its evolution in the 1930s, and its promotion by Vargas in the 1940s and 1950s. Political claims of the working class proved difficult to reconcile with middle-class interests and military loyalties; populist mobilization created a mass electorate

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seduced by politicians, in opposition to conservative forces which took control and reformed from the top down. The interaction of these two trends "gave rise to a populist-authoritarian rivalry that is perhaps the most important legacy of the era."

AUTHORITARIAN CAPITALISM: BRAZIL'S CONTEMPORARY ECONOMIC AND POLITICAL DEVELOPMENT. Edited by Thomas Bruneau and Philippe Faucher. Boulder (Colo.): Westview Press, 1981, 272 pp. \$26.00 (paper, \$12.50).

Eleven papers trace the role of the state, its relationship with society, and its interaction with the global system. Given the Brazilian bureaucratic-authoritarian system, the authors indicate some doubt whether the unequal distribution of benefits will permit further liberalization and opening up of political life, or whether at most an elitist or supervised democracy is in prospect.

BRAZIL IN THE INTERNATIONAL SYSTEM: THE RISE OF A MIDDLE POWER. Edited by Wayne A. Selcher. Boulder (Colo.): Westview Press, 1981, 251 pp. \$27.75.

A helpful coordinating foreword accompanies these nine essays, which provide an evaluation of Brazil's world position in relation to its capabilities, achievements, interests and future prospects. By some accounts here, Brazil is the most important and fastest growing middle power, and may rank as high as eighth on the world scale, behind the seven major powers.

EL SALVADOR: EMBASSY UNDER ATTACK. By Ambassador Frank J. Devine. New York: Vantage Press, 1981, 208 pp. \$10.00.

The recent U.S. Ambassador to El Salvador briefly recapitulates developments in that fractured country during the period of his mission, October 1977 to 1980, and provides insights and personal anecdotes. Noting the many duties and interests which make claims upon an ambassador, he observes that "our diplomatic representatives cannot serve these other interests well if required to overemphasize human rights at their expense."

Western Europe

Fritz Stern

ANTHONY EDEN: A BIOGRAPHY. By David Carlton. London: Allen Lane, 1981, 528 pp. (Bloomington: Indiana University Press, distributor, \$35.00).

A narrow but fascinating account of a major political career from the days of prewar appeasement to the aftermath of Suez. A British don acknowledges the many vacillations and weaknesses of the man who at the beginning of his career at the Foreign Office was thought of as "the Noel Coward of international politics." Some new material, documenting the great tensions between Eden and Churchill as well as between Eden and his American partners, especially but not only over the ill-fated Suez campaign. Eden was neither so resolutely anti-appeasement in the mid-1930s nor so clearheaded about the Soviets as has been assumed. Some interesting sidelights, including the view of responsible appeasers that checking Hitler could lead to the triumph of Bolshevism in Germany and perhaps even in England.

DEBTS OF HONOUR. By Michael Foot. New York: Harper, 1981, 240 pp. \$13.95.

Slight essays on the formative heroes—including Hazlitt, Disraeli, Beaverbrook, and Bertrand Russell—of the present leader of the British Labour Party. Written with verve and an occasional polemical aside, without much depth; still a tribute to the literate quality of British political life.

TONY BENN: ARGUMENTS FOR DEMOCRACY. Edited by Chris Mulin. Salem (N.H.): Chatto, Bodley Head & Jonathan Cape, 1981, 257 pp. \$13.95.

Like its earlier companion volume *Arguments for Socialism*, this consists of selections from speeches and writings of the leader of the radical faction of the British Labour Party. Benn impresses unintentionally by the British-style conservatism of his views: his emphasis on the deep historic roots of British socialism, the almost apologetic inclusion of Marx, and the xenophobic attack on the EEC and other international organizations as the instruments of foreign domination of British political life, a new form of colonization. Benn wants open government, new jobs, a democratized civil service, media no longer controlled by capital, an end to the old class system. His vague hope is for the transformation of capitalism through democracy into socialism.

THE TROUBLE WITH FRANCE. By Alain Peyrefitte. New York: Knopf, 1981, 334 pp. \$18.50.

A perceptive and outstandingly ambitious minister of the Fifth Republic—in fact, the occupant of eight successive ministries—recalls vignettes of French life to demonstrate the various ills of a *société bloquée*. The symptoms are relatively well-known: excessive centralization, rampant bureaucracy, generalized mistrust, governmental irresponsibility. What gives the book spice—and the reader occasional pause—is the wealth of historical data brought to bear on these analyses, including long disquisitions on the differences between Catholic and Protestant countries. The book, a best-seller in France, ends with a series of intelligent, commonsensical, and far-reaching prescriptions, and pleads that “it’s a mental revolution that the French need.” A vibrant essay of diagnostic skill.

VICHY FRANCE AND THE JEWS. By Michael R. Marrus and Robert O. Paxton. New York: Basic Books, 1981, 432 pp. \$20.95.

The most thorough, judicious, and disturbing account of French initiatives, indigenous and voluntary, in the anti-Semitic measures of the war years, beginning in 1940. In a climate of defeat and hardship, French public opinion at first supported autonomous xenophobia and anti-Semitism, in part because of antecedent resentment against foreign, many of them Jewish, refugees in the 1930s: “Wide segments of opinion and a good part of the bureaucracy went along, covered by deeply ingrained habits of antipathy, by obsession with private griefs and woes, or by administrative routine.” Vichy’s later, partial complicity with the German policy of deportation and extermination encountered some resistance. Two uniquely qualified historians have written a definitive work.

THE JEWISH RESISTANCE IN FRANCE, 1940–1944. By Anny Latour. New York: Holocaust Library, 1981, 287 pp. (New York: Schocken Books, distributor, \$12.95; paper, \$6.95).

Personal recollections of Jewish efforts to save Jews, especially children, on

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French soil from Nazi—or French—persecution and likely death. These efforts included armed resistance by specifically Jewish groups.

THE FORGOTTEN MEN: AN ACCOUNT OF COURAGE AND TENACITY DURING THE FRANCO YEARS. By Jesús Torbado and Manuel Leguineche. New York: Holt, Rinehart and Winston, 1981, 226 pp. \$14.95.

The crushing lives of eight Spaniards whom fate had put on one side or the other in the Civil War and who for various reasons had to hide out from Franco's police long after the war was over. A successful effort at oral history.

ISRAËL ET L'EUROPE. By Ilan Greilsammer. Lausanne: Fondation Jean Monnet, 1981, 165 pp.

A summary study of the relations between the European Communities and Israel from 1957 to the present. The emphasis is on the favorable evolution of economic cooperation, sketched against the background of deteriorating political ties since 1967. The author is an Israeli scholar born and educated in France.

The Soviet Union and Eastern Europe

John C. Campbell

THE CHEKA: LENIN'S POLITICAL POLICE. By George Leggett. New York: Oxford University Press, 1981, 514 pp. \$29.95.

As guardian of the security of the new Bolshevik regime after 1917, the Cheka dispensed revolutionary justice, combatted rival parties, and brought official terror, espionage and counter-espionage to a new level of proficiency. Using recently published Soviet material and other sources, Leggett comes as close as a Westerner can get, given still existing handicaps, to a definitive history of this institution and its sinister chief, Feliks Dzerzhinsky.

THE TIME OF STALIN: PORTRAIT OF A TYRANNY. By A.V. Antonov-Ovseyenko. New York: Harper, 1981, 374 pp. \$19.95.

In a narrative which burns with hatred, a survivor of Stalin's prisons and gulags recites in detail individual and collective crimes by which Stalin "surpassed all the infamous despots of history." Not all the charges are verifiable, not all the conversations could have been precisely as given, but we scarcely need mountains of new evidence to confirm the conclusions. In an epilogue the author discusses how Stalin and Stalinism have been dealt with, or evaded, by his successors.

FROM THE YAROSLAVSKY STATION: RUSSIA PERCEIVED. By Elizabeth Pond. New York: Universe Books, 1981, 296 pp. \$12.95.

An American journalist, after a two-year assignment in Moscow, combines travel notes on European Russia and Siberia with reflections on Soviet politics and society: leadership, the economy, nationalities, intellectual life and more. Written with both verve and good sense.

S Sh A: ZA FASADOM GLOBAL'NOI POLITIKI. By A.A. Kokoshin. Moscow: Izdatel'stvo Politicheskoi Literatury, 1981, 367 pp. Rubles 1.70.

Just as American Sovietologists have tried their hand at analyzing the influence of domestic factors on Soviet foreign policy, a Soviet Americanologist does the same for U.S. policy, and it proves as difficult a task. The main problem is too much rather than too little material, for the period covered

includes Vietnam, Watergate, the energy crisis and all the complexities of the Carter Administration (which have to be sifted through the requirements of Marxist-Leninist interpretation). Even so, Soviet readers will get more relevant information on the subject than they have been accustomed to.

THE "CRISIS" AND THE "CRASH": SOVIET STUDIES OF THE WEST, 1917-1939. By Richard B. Day. London: NLB, 1981, 300 pp. (New York: Schocken Books, distributor, \$22.50).

Using their extensive published works, the author reconstructs the discussions and debates among the leading Soviet political theorists and economists about the nature of the capitalist crisis in the years up to World War II. However remote from what was actually happening in the West, the debates were important because of their relevance to Soviet policy and to Stalin's decisions. Those who were flexible, like Eugen Varga, survived to write again; others, like Bukharin, did not.

THE ABCs of SOVIET SOCIALISM: THE SOVIET ECONOMIC EXPERIMENT, 1917-80. By James R. Millar. Urbana: University of Illinois Press, 1981, 225 pp. \$17.50 (paper, \$6.50).

A survey of the Soviet economy that is general, non-technical, but admirably descriptive and analytical. Millar makes good use of his own earlier work, especially on agriculture, and that of other Western economists. In its stress on what actually happens within the supposed "command" economy it is informative and refreshing.

TRADE AND TECHNOLOGY IN SOVIET-WESTERN RELATIONS. By Philip Hanson. New York: Columbia University Press, 1981, 271 pp. \$30.00.

The question of what to permit and what deny in the export of goods and technology to the U.S.S.R. has been answered in different ways at different times by Western governments, and has contributed in no small degree to confusion and controversy among them. Conceding the primacy of politics over economics, Hanson sees the need, if the West's political decisions are to make sense, of exploring such matters as the economics of technology transfer, the nature of the benefits to the Soviet economy, and the leverage which the West can exert. If his systematic inquiry reaches "a rather dull conclusion," it is nevertheless a sound and useful one.

SOVIET DECISION MAKING IN PRACTICE: THE USSR AND ISRAEL, 1947-1954. By Yaacov Ro'i. New Brunswick (N.J.): Transaction Books, 1980, 540 pp. \$22.95.

Essentially a study of Soviet policy toward the Palestine question and relations with the new state of Israel up to the decisive turn toward the Arabs in the mid-1950s, this is the best available book on a subject which has long preoccupied Israeli diplomats and scholars. While not totally enlightening on the procedures of Soviet decision-making, it excels in describing the interaction between Soviet great-power interests in the Middle East and the Jewish question in the U.S.S.R.

SIBERIAN DEVELOPMENT AND EAST ASIA: THREAT OR PROMISE? By Allen S. Whiting. Stanford: Stanford University Press, 1981, 276 pp. \$22.50.

Allen Whiting's long experience in both Soviet and Chinese affairs makes him an ideal scholar to look into the question of Eastern Siberia and how it

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relates to the Moscow-Peking-Tokyo triangle. To which, with a final chapter on U.S. interests, he adds Washington, including consideration of whether the West should or should not provide Moscow with technology to help exploit Siberia's resources.

EAST-WEST RELATIONS AND THE FUTURE OF EASTERN EUROPE. Edited by Morris Bornstein and others. Winchester (Mass.): Allen & Unwin, 1981, 301 pp. \$28.50.

An ambitious enterprise aimed at picturing Eastern Europe's present and future in the light of world economic changes, the policies of the U.S.S.R., East-West relations, and internal political factors. The authors, most of them established Western authorities but including Polish and Hungarian experts as well, recognize the problems, describe the dilemmas for East European leaders and for Moscow, and make some timid and tentative prognoses. The book deserves a close reading, mainly for what it says about the recent past.

THE POLITICS OF ETHNICITY IN EASTERN EUROPE. Edited by George Klein and Milan J. Reban. Boulder (Colo.): East European Quarterly, 1981, 279 pp. (New York: Columbia University Press, distributors, \$20.00).

Because there is no coherent pattern of interaction between nationalism and communism in the states of Eastern Europe, each of the authors of these ten essays, which proceed alphabetically from Albania to Yugoslavia, follows his own inclinations. All have something to say, but none has the depth or imagination evident in Richard Burks' pioneering work in this field.

POLAND TODAY: THE STATE OF THE REPUBLIC. Compiled by the "Experience and the Future" Discussion Group. Armonk (N.Y.): Sharpe, 1981, 256 pp. \$18.50 (paper, \$6.95).

In 1978 a group of Polish intellectuals founded a club to discuss their country's incipient economic and political crisis and the need for change. Looking to reform the system rather than to dismantle it, their views nevertheless constitute a devastating criticism. This book is a translation of two papers which appeared before the watershed events of 1980 and might be taken as the agenda for the debates and changes then unleashed both within and outside the Party.

THE BATTLE OF THE MARCHLANDS. By Adam Zamoyski. Boulder (Colo.): East European Quarterly, 1981, 218 pp. (New York: Columbia University Press, distributor, \$16.00).

A military history, well told, of the famous campaign of 1920 in which Polish forces reached Kiev and the Red Army drove to the outskirts of Warsaw before being defeated. Of the two main protagonists, Pilsudski emerges with his reputation enhanced, Tukhachevsky with his considerably diminished.

THE EAST GERMAN ARMY: SECOND IN THE WARSAW PACT. By Thomas M. Forster. Winchester (Mass.): Allen & Unwin, 1981, 310 pp. \$27.50.

A new and expanded edition of a work first published in 1967, showing how the military establishment of the German Democratic Republic has grown with the growth in the strength and prestige of the state. Basically it is a handbook, packed with data.

PRESIDENT EDVARD BENEŠ: BETWEEN EAST AND WEST, 1938-1948. By Edward Taborsky. Stanford: Hoover Press, 1981, 312 pp. \$19.95.

Beneš' role in the history of Czechoslovakia and of Europe remains contro-

versial even after one reads this excellent biography by his former secretary and adviser. Taborsky was close to Beneš during this critical decade, and his book is well documented. He defends Beneš against the most severe of the criticisms of his dealings with, and misjudgment of, Stalin, but his estimate also includes the traits and weaknesses which led Beneš into his errors, faulty decisions, and ultimate capitulation.

SOCIALISM AND DEMOCRACY IN CZECHOSLOVAKIA, 1945–1948. By Martin Myant. New York: Cambridge University Press, 1981, 302 pp. \$42.50.

The first postwar years in Czechoslovakia receive a partly new interpretation here. Myant finds the system of those years close to “democratic socialism with a human face,” with the Communist Party playing the leading role. He also covers in detail the revolution of February 1948 and its aftermath, in which the Communists, with no effective opposition, changed that system to one of a monopoly of power with no democracy at all.

CHARTER 77 AND HUMAN RIGHTS IN CZECHOSLOVAKIA. By H. Gordon Skilling. Winchester (Mass.): Allen & Unwin, 1981, 363 pp. \$37.50.

A veteran interpreter of Czechoslovak affairs to the English-speaking world, especially of the Prague Spring, tells the story of the first four years of the Charter movement. He does so with sympathy, with first-hand knowledge, and with a scholar's thoroughness. The second half of the book contains *samizdat* documents published for the first time.

The Middle East and North Africa

John C. Campbell

THE MIDDLE EAST AND NORTH AFRICA: THE CHALLENGE TO WESTERN SECURITY. By Peter Duignan and L.H. Gann. Stanford: Hoover Press, 1981, 160 pp. \$9.95 (paper).

The authors of this handbook and guide for American policymakers take on the impossible task of presenting in brief compass the historical background and contemporary problems of the Middle East and North Africa, an assessment of the global strategic implications of the situation there, and of oil supply and related matters, a catalogue of the mistakes of past U.S. policy, and scores of recommendations for the future. The result is a staccato presentation of complex problems, almost in newsweekly style, with scant room for qualifications. The main theme is the Soviet threat and the need to stand up to it with wise diplomacy, an ideological offensive, greater military capability, and the will to act when necessary.

THE MIDDLE EAST CHALLENGE, 1980–1985. Edited by Thomas Naff. Carbondale: Southern Illinois University Press, 1981, 179 pp. \$12.95 (paper).

A compendium of papers and commentaries, the results of a University of Pennsylvania workshop held at the end of 1980 on what problems the Middle East may present in the next few years and what the Reagan Administration might or should do about them. The contributors (Hermann Eilts, Eric Rouleau, William Quandt and John Lichtblau, among others) were well chosen, and what they say remains relevant even as events chip away some of the assumptions and predictions.

BREAKTHROUGH. By Moshe Dayan. New York: Knopf, 1981, 384 pp. \$15.00.

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Published almost simultaneously with his untimely death, Dayan's detailed narrative of the diplomacy of the Egyptian-Israeli peace negotiations during his tenure as Foreign Minister in the Begin government is a fine contribution to history and bears witness to his central role. A personal account, it reflects the individualism and self-assurance that marked his entire career and will, of course, have to be balanced by others. He offers sharp vignettes of the other actors—Carter, Vance, Sadat, and especially Begin. With Begin he had real differences, but what comes through clearly is the tenacity with which they both defended Israeli positions against Egyptian and American efforts to change them.

THEY MUST GO. By Rabbi Meir Kahane. New York: Grosset & Dunlap, 1981, 282 pp. \$14.95.

The violent and uncompromising Rabbi Kahane proposes a violent and uncompromising solution—the expulsion of the entire Arab population from Israel and the occupied territories before it becomes a majority and destroys the Jewish state.

THE UNITED STATES AND THE PALESTINIANS. By Mohammed Khalil Shadid. New York: St. Martin's, 1981, 252 pp. \$25.00.

A Palestinian professor from the West Bank gives his version of U.S. policy in the Middle East over the past 50 years. Some of his points, including the major argument on the centrality of the question of self-determination for the Palestine Arabs, are well taken, but the book is marred by an overly partisan approach, conclusions unsupported by fact, and careless research and editing.

ARAB PERSONALITIES IN POLITICS. By Majid Khadduri. Washington: Middle East Institute, 1981, 353 pp. \$25.00.

As a sequel to his *Arab Contemporaries* (1973) and as further evidence of his deep knowledge of Arab politics, Professor Khadduri draws portraits of Sadat, Asad, Husayn of Jordan, Qabus of Oman, Zayid of Abu Dhabi, and Khalid and Fahd of Saudi Arabia, all of whom he finds representative of the current age of "realism." He has interviewed them all, and while not uncritical, his approach to the present is one of benevolent understanding, and to the future, one of guarded optimism about greater democracy.

THE ARAB STATES AND THE PALESTINE CONFLICT. By Barry Rubin. Syracuse: Syracuse University Press, 1981, 298 pp. \$22.00 (paper, \$10.95).

This solid monograph follows the Palestine conflict from a special angle, that of the surrounding Arab states and the agreements and disagreements among them. The main part of the book runs from the early 1930s to the war of 1948, with a final chapter on the Egyptian revolution of 1952 and U.S. policy serving as a kind of floating epilogue. Rubin knows his subject and has unearthed much archival material (mainly British and American) as well as Arab sources, but the murky history of inter-Arab relations does not yield all its mysteries.

ROOTS OF REVOLUTION: AN INTERPRETIVE HISTORY OF MODERN IRAN. By Nikki R. Keddie. New Haven: Yale University Press, 1981, 321 pp. \$30.00 (paper, \$5.95).

The roots lie deep in Iran's history, although the revolution of 1978 had many immediate as well as underlying causes. In her narrative of political events Nikki Keddie, a scholar with impressive credentials on Iran, is more or

less conventional. Where the history is interpretative is largely on the intellectual-cultural-religious side, and here it broadens the Western reader's understanding of why and how the revolution happened as it did.

THE KURDISH QUESTION IN IRAQ. By Edmund Ghareeb. Syracuse: Syracuse University Press, 1981, 223 pp. \$22.00.

Difficult as it is to find the facts on the aims, tactics and personalities of the Kurdish national movement in the on-again off-again struggle with successive governments in Iraq, Ghareeb has set a high standard in the thoroughness and objectivity of his effort. He takes the story to a logical stopping point, Iraq's deal with the Shah and the mopping-up operations of 1975, though of course this story of conflicting nationalisms has no logical end.

OMAN: THE REBORN LAND. By F.A. Clements. New York: Longman, 1980, 182 pp. \$25.00.

A British scholar provides a fact-filled and up-to-date survey of Oman covering the land, the people, political history, the economy, and foreign policy. He has high praise, with only slight and incidental qualification, for Sultan Qabus and for the reforms and programs he has instituted since the country was "reborn" through the coup d'état that put him on the throne in 1970.

CONFLICT IN THE PERSIAN GULF. Edited by Murray Gordon. New York: Facts on File, 1981, 173 pp.

A summary of events of the past few years, mainly taken from news items and public statements and with U.S. policy at the center of attention. The lean and unadorned narrative inevitably tends toward oversimplification.

Asia and the Pacific

Donald S. Zagoria

AMONG THE BELIEVERS: AN ISLAMIC JOURNEY. By V.S. Naipaul. New York: Knopf, 1981, 430 pp. \$15.00.

This book is a triumph of style over substance. It is a sweeping look at "Islamic fundamentalism" in four countries: Iran, Pakistan, Indonesia and Malaysia. The author's "method" is to converse with individual Muslims in the four countries—evidently on a random basis. There is no analysis of the countries' varied histories, cultures or socioeconomic circumstances and the different political roles taken by Islamic movements. Despite these weaknesses, however, the book is an eloquent, if oversimple, warning. Naipaul is probably correct in seeing Islamic fundamentalism as an ideological protest against many of the necessary evils of industrialization and modernization. What happened in Iran, therefore, while it almost certainly will not be repeated exactly, cannot be looked upon as a phenomenon with no implications for the rest of the Islamic world.

THE POLITICS OF ISLAMIC REASSERTION. Edited by Mohammed Ayoob. New York: St. Martin's, 1981, 298 pp. \$27.50.

It is a pity that this book will not be as widely read as Naipaul's. It is a corrective to thinking about Islamic fundamentalism in reductionist terms. The editor starts with the premise that Islam has different political manifestations in different social, economic and political circumstances. There are 12

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chapters on Islam's politics in various countries, all of them written by prominent political scientists. Most are of a very high quality.

THE GATE OF HEAVENLY PEACE: THE CHINESE AND THEIR REVOLUTION, 1895–1980. By Jonathan D. Spence. New York: Viking, 1981, 465 pp. \$19.95.

Spence has brought the past 100 years of the Chinese revolution to life with a novelist's flair and an historian's grounding in fact. This is intellectual history of the first order. It weaves together the lives of three Chinese intellectuals—the utopian theorist Kang Youwei, the writer Lu Xun, and the feminist and writer Ding Ling—to capture the meaning of the passage from Imperial to Communist China.

CHINA'S INTELLECTUALS: ADVISE AND DISSENT. By Merle Goldman. Cambridge: Harvard University Press, 1981, 320 pp. \$22.00.

Merle Goldman is one of the West's leading authorities on intellectual dissent in Communist China. This is a persuasive analysis of the interaction between political factionalism and intellectual dissent in China during the past 20 years.

THE CHINA FACTOR: SINO-AMERICAN RELATIONS AND THE GLOBAL SCENE. Edited by Richard H. Solomon. Englewood Cliffs (N.J.): Prentice-Hall (for the American Assembly and the Council on Foreign Relations), 1981, 323 pp. \$13.95 (paper, \$5.95).

This is an exceptionally solid collection of essays which analyze the ways in which China's re-emergence on the world scene has affected international affairs. Several authors offer some sound advice on U.S.-PRC relations. As Strobe Talbott puts it: these relations should be gradually extricated from U.S. calculations about the Soviet Union and given a value of their own. The emphasis of such an American policy should be on building human contacts, on opening the doors of U.S. universities to help train Chinese intellectual talent, and on expanding trade. Michel Oksenberg points out that the U.S.-China relationship needs to be institutionalized so that it will survive the almost inevitable leadership struggles and political changes ahead.

PAKISTAN, CHINA AND AMERICA. By Latif Ahmed Sherwani. Karachi: Council for Pakistan Studies, 1980, 239 pp. \$7.50.

A Pakistani scholar has written a very useful history of the U.S.-China-Pakistan triangle. His conclusion is that "close relations" with China and the United States and "correct relations" with the Soviet Union should be the target of Pakistan's foreign policy.

AFGHANISTAN: THE SOVIET INVASION IN PERSPECTIVE. By Anthony Arnold. Stanford: Hoover Press, 1981, 144 pp. \$9.95 (paper).

The author was a U.S. intelligence analyst in Afghanistan before the Soviet invasion. He traces, in a balanced and convincing manner, the course of Soviet-Afghan relations since 1919. There is a great deal of information on the events leading up to the Soviet takeover in 1979.

THE THIRD INDOCHINA CONFLICT. Edited by David W.P. Elliott. Boulder (Colo.): Westview Press, 1981, 247 pp. \$18.50.

A collection of papers on the causes and consequences of the Third Indochina conflict. One of the most interesting chapters is that by Charles Benoit on the tensions within South Vietnam, both before and after the communist victory, between the indigenous Chinese and the Vietnamese. The

Chinese ran a very prosperous "second economy" which made them the objects of envy on the part of the communist cadres. The chapter is based on interviews the author conducted with several of the Chinese refugees from Vietnam who wound up as "boat people."

THE COMMUNIST ROAD TO POWER IN VIETNAM. By William J. Duiker. Boulder (Colo.): Westview Press, 1981, 393 pp. \$32.50.

This is the first comprehensive history of the communist accession to power in Vietnam. It begins with the rise of Vietnamese nationalism in the early 1900s and takes the story up through the fall of Saigon in 1975.

THE KOREAN CONUNDRUM: A CONVERSATION WITH KIM IL SUNG. Report submitted to the U.S. House Committee on Foreign Affairs by Representative Stephen J. Solarz, August 1981. Washington: GPO, 1981, 12 pp.

Congressman Solarz was the first U.S. Congressman to visit Pyongyang since the Korean War. "What emerged most clearly from my discussions with Kim Il Sung and Kim Young Nam [a Politburo member] is the extent to which the reunification of Korea is not only the major object of North Korea, but the primary touchstone against which different policies and proposals for resolving the Korean problem are evaluated. The commitment on the part of both Kims to reunification was not just verbal but visceral." Solarz favors increasing contacts between individual Americans and North Koreans in order to expose the North Koreans to other points of view, but he opposes official contacts in the absence of similar moves by China and Russia toward Seoul.

THE ORIGINS OF THE KOREAN WAR. By Bruce Cumings. Princeton: Princeton University Press, 1981, 552 pp. \$40.00 (paper, \$14.50).

A New Left scholar deals with the American and Soviet occupations of Korea in the first two years after the end of World War II. His goal (this is the first of two volumes) is to challenge the conventional interpretation of the origins of the Korean War, and to argue that the start of the fighting in June, 1950 has to be seen as a continuation of a civil and revolutionary war that began in 1945. Although the author's thesis is not very convincing, he has ranged over an extraordinarily large amount of documentary materials, raised many interesting questions, and made an important contribution to the meager academic literature on postwar Korea.

ASEAN AND THE PACIFIC COMMUNITY. By Narongchai Akrasanee and others. Jakarta: Centre for Strategic and International Studies, 1981, 43 pp.

A stimulating report from a Jakarta think tank on the Pacific Community concept that has been so much discussed in recent years. It recommends working toward an association of Pacific countries modelled on the [former British] Commonwealth, with regular heads of state consultations on regional issues.

Africa

Jennifer Seymour Whitaker

SOUTH AFRICA: THE PROSPECTS OF PEACEFUL CHANGE. By Theodor Hanf, Heribert Weiland and Gerda Vierdag. Bloomington: Indiana

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University Press, 1981, 492 pp. \$35.00.

Not a collection of essays but a well-integrated collaboration, this study provides a thorough documentation, based on extensive surveys, of white and black attitudes toward existing institutions and potential future dispensations. First published in German in 1978, its conclusions seem, on the whole, valid today—except for the reiterated inference that Buthelezi is the preeminent leader for blacks (which has been contradicted by recent surveys). The relatively inflexible commitment to the current system by the ruling Afrikaners and, on the other side, the mounting anger which threatens to harden the still tolerant attitudes of blacks, lead the authors to a predictably pessimistic conclusion about the possibilities for peaceful change.

THE AMERICAN PEOPLE AND SOUTH AFRICA. Edited by Alfred O. Hero, Jr. and John Barratt. Lexington (Mass.): Lexington Books, 1981, 229 pp. \$21.95.

The usefulness of this compilation lies chiefly in its several chapters surveying the activities of particular interest groups. Of more than ordinary interest are Philip White's essay on the black constituency for southern Africa from 1940 to 1980, and Chester Crocker's analysis—finished just before he became Assistant Secretary of State for African Affairs—of the U.S. policy process.

THE POLITICAL ECONOMY OF INCOME DISTRIBUTION IN NIGERIA. Edited by Henry Bienen and V.P. Diejomaoh. New York: Holmes & Meier, 1981, 520 pp.

In Nigeria, income distribution has stirred political passions chiefly when the relative shares of regions, states or communities were affected; only when oil no longer holds out the promise of economic mobility are gaps between individuals or classes likely to become a highly charged issue for the mostly very poor people of Africa's oil giant. In this study, a group of Nigerian and American social scientists carefully analyze the existing inequalities from a variety of perspectives, and offer remedies for what they see as an increasingly grave problem.

PATH TO NIGERIAN DEVELOPMENT. Edited by Okwudiba Nnoli. London: Zed/Westport, Conn.: Lawrence Hill, 1981, 264 pp. \$9.95 (paper).

One of the first Marxist analyses of the Nigerian political economy to find its way into the mainstream, this group of essays may signal a significant intellectual trend. Although its authors' rather repetitive critiques of the existing economic order often hit the mark (they have a large target to shoot at), their explanations of causes, and their interpretations of Nigerian politics and proposals for alternatives are much less well grounded in reality.

THE LAST DAYS OF WHITE RHODESIA. By Denis Hills. Salem (N.H.): Chatto, Bodley Head & Jonathan Cape, 1981, 196 pp. \$19.95.

An idiosyncratic observer—best known for his run-in with Idi Amin and subsequent rescue by the Queen of England—Hills roamed around Rhodesia from 1978 to 1980, camping in the bush and hanging out with hinterland whites and blacks; the resulting travelogue evokes their lives and attitudes in colorful snatches.

POLITICAL CONFLICT ON THE HORN OF AFRICA. By Robert F. Gorman. New York: Praeger, 1981, 243 pp.

Exhaustive examination of the facts alternates with patches of rather windy "theory" in this thorough but not very original study of the 1977–78 events in the Horn.

Janet Rigney

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Documents may be procured from the following: *United States*: Gov't Printing Office, Superintendent of Documents, Washington, D.C. 20402. *United Nations, International Court of Justice*: United Nations, Sales Section, New York 10017. *United Nations Educational, Scientific and Cultural Org. and Food and Agric. Org.*: Unipub, Inc., P.O. Box 433, New York 10016. *Int. Labor Office*: 917 15th St., N.W., Washington, D.C. 20005. *European Communities*: 2100 M St., N.W., Washington, D.C. 20037. *Organization for Economic Cooperation and Development*: 1750 Pennsylvania Ave., N.W., Washington, D.C. 20006. Washington imprints are Government Printing Office, and congressional documents, unless otherwise noted, are for the 97th Congress. New York imprints are United Nations, unless otherwise noted.

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COMMERCIAL POLICY AND TRADE

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ERRATUM

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1. In Lincoln P. Bloomfield's "The Arctic: Last Unmanaged Frontier": on p. 89, line 7, for "1829" read "1889."